



a Pelican Original

# The Future of the Social Services

Edited by William A. Robson  
and Bernard Crick

THE SEEBOHM REPORT  
A FACE-LIFTING FOR THE N.H.S.  
UNIVERSALITY VERSUS SELECTIVITY  
WHICH SOCIAL SERVICES CAN WE SAVE?  
ECONOMIC PRIORITY: GROWTH OR WELFARE?  
THE FUTURE OF THE PERSONAL SOCIAL SERVICES  
THE FUTURE OF COMMUNITY DEVELOPMENT  
CIVIC RIGHTS AND SOCIAL SERVICES  
THE ROLE OF THE SOCIAL SERVICES  
HOUSING POLICIES AND PROSPECTS  
PUBLIC INVOLVEMENT IN PLANNING  
EDUCATION AS A SOCIAL SERVICE  
PENSIONS REFORM

PELICAN BOOKS

THE FUTURE OF  
THE SOCIAL SERVICES

*W. A. Robson* and *Bernard Crick* are joint editors of the *Political Quarterly*, which was founded in 1930 with Robson and Kingsley Martin (who was soon succeeded by Leonard Woolf) as joint editors. The *Political Quarterly* has been an influential journal of public policy for forty years, always striving to bridge the gap between theory and practice, the specialist and the generalist, and the universities and Whitehall.

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# THE FUTURE OF THE SOCIAL SERVICES

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*Edited for The Political Quarterly  
by William A. Robson and  
Bernard Crick*



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## Preface

NEVER was there a time in the last twenty-five years when the basic goals as well as the scope and methods of the social services were so open to question and redefinition. Whatever the long-term prospects of the economy, clearly we cannot advance equally quickly on all fronts at once, particularly as concepts of minimum need are changing under our feet. It is so easy and so obviously right to raise a cry for a greater proportion of the national income to be spent on the social services; but such cries, if heart-warming, are likely to appear glib and to prove self-defeating if not raised with considerable clarity of definition. Even if everything could expand, should it all expand at the same rate? And are the right things considered social services? In the world of Whitehall the demands of different kinds of social service will have to compete with each other, not just with other sectors of public or private expenditure. The question of priorities cannot be avoided.

The only editorial bias behind the making of this volume is that people must be educated to look at the social services – and indeed the economy – as a whole. Social workers and some famous academic advocates of social services must come to see that strong lobbies for their particular services, based on the usual volatile mixture of doubtful statistics and authentic emotions, cut little ice, indeed are often counter-productive, when they do not convince that they are looking at the social services as a whole and are looking at them in terms of priorities both moral and economic. The very old, the very young, the homeless and the mentally ill have all, alas, to be fitted in to one picture somehow; it cannot be moral, more often it is self-indulgent, to limit one's perspective passionately but narrowly.

All too often the advocate's only answer to the inevitable question 'If you want that so badly, what would you cut?' is to talk about defence estimates. But that inexhaustible corpse is proving unexpectedly resilient and, in any case, the crowd of

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benevolent vultures hanging around it show no sign of being able to sort themselves into an orderly queue. Certainly one must continue to contend, as does Dr Mishan in his contribution, that if our sense of values were different, more money could be made available for different things, and that some services are being starved grievously. There may be no particular magic even in the economic growth rate, for already we in Britain choose to consume more of the national product in welfare and amenities than they do in many countries – and we are, on the whole, probably happier for it. But, none-the-less, the logic of rising expectations, if not of the perpetual discovery and fulfilment of real needs, must still remind us that we live in a world of limited resources relative to infinitely expansive demands; so Brian Lapping's question, 'Which Social Services Can We Save?', is not necessarily melodramatic, nor will it vanish with continued improvement in the balance of trade figures, but is the very question which always needs asking, even if only speculatively, so that one is prepared with an answer if the need arises. Too often social scientists and social workers content themselves with mildly supporting each other's lobby, but never hint that we could do with less of this as the price of getting more of that. Is this a failure of political and moral intelligence or some new kind of professional etiquette? But questions of the allocation of resources, if necessarily economic, are too important to be left to economists. There cannot be a sensible distribution of material resources or human effort until we are clearer what we want and in what kind of order. Economic criteria are necessary but they are insufficient, indeed useless, alone. They can only be put to work when the political process has identified the qualitative importance that people attach to particular services and aspects of them. But a scale of moral priorities without an economic calculus is equally useless.

We of *Political Quarterly* would wish to give no support to a general retreat from social services into private provision. But in this book, as always in *Political Quarterly*, we have not sought to impose any line of policy on the contributors. We have sought for contributions that seem relevant to decisions that have to be made in public policy. Our prejudices and persuasions are progressive, so we will look at relevance in such a light; but the unity

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of the book lies in the awareness of problems, not in the particular or general solutions. The views of the contributors are their own, not necessarily ours, and they vary. But we see nothing unprogressive or intrusively editorial in insisting that one cannot advance as far as one wants in every direction at once. The State should spend more and intervene more in some directions, but consequently retire from or diminish its interests in others. In the sphere of the social services, as in many others, traditional attitudes and vested interests bar the way to the satisfaction of new needs and the acceptance of new ideas.

*Political Quarterly* has just celebrated its fortieth birthday, having been founded in 1930. So it is an appropriate time to launch revised and enlarged versions of some of our Special Numbers to a wider audience, through Penguin Books. Early next year, Allen Lane will be publishing an anthology, *Political Quarterly in the 1930s*, and in Penguin Books will soon appear *Protest and Discontent*, another symposium.

The essays by Peter Hodge, Brian Lapping and Derek Senior are printed here for the first time, four others are substantially as they were (with only minor changes) in the January–March 1969 Special Number of *Political Quarterly*, but the others have all undergone substantial revision and expansion.

We went to press in the autumn of 1969 and have not been able to make substantial references to several important changes and events which have occurred since then.

WILLIAM A. ROBSON

BERNARD CRICK

Joint Editors, *Political Quarterly*



# The Role of The Social Services

T. H. Marshall\*

THERE are occasions when forecasts of the future state of a changing social situation can lean heavily on the projection of trends observable in the present and recent past. That is not the position in the case of social policy today. Thirty or forty years ago it was different. Evidence was then to hand on the basis of which it might have been possible to predict the evolution of something like the Welfare State of the 1940s. The events of the previous thirty or forty years pointed in that direction. Three movements had started towards the end of the nineteenth century, taken a decisive step forward shortly before the First World War and been reactivated soon after it; and it was pretty clear in the 1930s that they had not yet arrived at their logical terminus. They were the invention of social insurance, the break-up of the Poor Law, and the pursuit of equal educational opportunity. Having achieved universal comprehensive social insurance plus family allowances on the Beveridge model, an almost free national medical service, secondary education for all, and a complex of local, personal, social services available to all citizens and not only to paupers, they could go no further without some change of direction or adoption of new ideas or administrative devices. The future could not be a simple projection of the past; it had become problematical.

In the case of education the change of direction has already taken place. First came growing dissatisfaction with the eleven plus, followed by a definite swing away from the selective system of 1944 towards the comprehensive school. The future of the independent schools is still in the White – or Blue or Green –

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Paper stage. So is that of the social services, as generally defined. We have just had, or are eagerly awaiting, reports and recommendations on the reorganization, in some quite fundamental ways, of the medical services, the personal social services, the social security machinery and local government. It is a grand exercise in stock-taking and preparing for the start of a new phase of development.

The change of mood and outlook which took place between the mid forties, when the previous trend reached its climax, and the mid sixties, when reappraisal took positive shape, is more profound than it might appear to be if judged only by its surface manifestations. We must not forget that the foundations of the Welfare State were laid during the war, and that the British, having got social security written into the text of the Atlantic Charter, greeted the Beveridge Report as the blueprint of the new society for which they were fighting. After the war they believed that they had created a model which the rest of the world would follow. The basic principles enshrined in this model were mutual aid organized by and for the entire community, and equality of status and of opportunity for all. It marked also the full realization of a conception of the role of the social services which had been adumbrated by Lloyd George but had since then been sleeping. In place of the images, progressively discarded, of the social services as discreet arrangements for looking after the skeleton in the cupboard, as the provision of first-aid to patch the wounds of social casualties, as compensation for the damage caused by defects in the economic system, and in general as a burden to be kept as light as possible and retained for as short a time as possible, there was presented the vision of the social services as a centre-piece in the *tableau vivant* of the good society and a permanent, praiseworthy and admirable feature of twentieth-century life.

Signs that the mood was beginning to change appeared in the 1950s. In the first phase of this change was an element of optimism, but also a feeling of alarm. On the one hand people were saying that economic progress had solved the basic problem of poverty and that the residue of this problem could be handled by a much less elaborate machine than the one we had created. On

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the other hand there was anxiety about the expected increase in the number of pensioners and the cost this would involve, even with minimal pensions, and also about the increase in the absolute cost of the National Health Service in its attempt to fulfil its obligation to offer a service which was not minimal, but optimal. Both these lines of thought were such as to revive in some quarters what Professor Titmuss has called the 'Public burden model of welfare'.<sup>1</sup> It was hoped that, in time, the burden would be lifted, and the dimensions of our social problems drastically reduced, by the natural growth of productivity and affluence. Consequently, as a Liberal spokesman remarked, 'the whole Welfare State apparatus must itself be regarded as a passing phase'.<sup>2</sup> This view and that of the architects of the new society of the 1940s are diametrically opposed to each other.

The second phase in the change of mood was marked by doubt and disillusion. Independent and official research revealed that basic poverty had not been abolished – far from it. The Welfare State machinery for health and welfare was not running smoothly, nor achieving the optimum standard at which it aimed. Vital problems of housing and rent control were the subject of controversy and experiment and still awaited an agreed solution. The defects in the services were due partly to inadequate finances and partly to ill-designed administration. In addition, the British Welfare State was no longer a model for the world to copy, and at several points it had been outstripped, both in efficiency and in the resources assigned to it, by other countries.

Meanwhile opinion had been changing about some of the Beveridge principles. His principle that the sharp distinction between insurance and assistance should be emphasized was abandoned and, in fact, reversed. The statement on the blue page of the Pension Book that 'people over pension age have a right under the Ministry of Social Security Act 1966 to a guaranteed income', achieved, if necessary, with the help of a 'supplementary pension', is a direct denial of the view that there can be no right where there is a test of means. But changes of name and language may be found to conceal, rather than to solve, the problem. Secondly, the notion that social insurance should follow as closely as possible the rules that govern commercial insurance, since they

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are essentially the same kind of operation, gradually lost its force. It had never really been the basis of official policy (nor did Beveridge want it to be), but it had had an inhibiting effect on public and political opinion. It encouraged the 'public burden' view of the social services and the attitude which treated every increase in pension rates as a present to pensioners of income to which they were not entitled, because they had not paid for it. Thirdly, following common practice elsewhere, flat-rate insurance was supplemented by an earnings-related element, first for pensions and later for the other principal benefits. This breached the Beveridge principle that all additions to the uniform basic rate should be the result of free choice and private enterprise, and it raised the question whether it was right that public social security measures should become involved with, or reflect, the inequalities of income prevailing in the economic world at large. Finally, the total abandonment of Beveridge and flat rates came with the 1969 White Paper on social security which, although incomplete in some important aspects, committed itself unequivocally to a full-scale system of earnings-related superannuation for all, adjusted to the standard (not only the cost) of living.

Thus at least three questions of fundamental importance were being asked, all of which still remain controversial. First, if there is a right to a guaranteed income, how is its magnitude to be determined, and how does it differ from the earlier concepts of the 'poverty line' and the 'subsistence level'? Secondly, if the entitlement to a pension is not closely connected with contributions, what is its real basis – is it past work, or present need, or, as the Pension Book suggests, simply age? Thirdly, does the grading of social insurance contributions and benefits by reference to earnings (a) violate the principle of equality so firmly entrenched in the concept of the Welfare State, and (b) hand over to the State an area of discrimination which ought to be left to free choice and private enterprise?

When it is said, as it was by some in the 1950s, that with the rise in the general standard of living poverty had become exceptional, this can mean one or both of two things. 'Exceptional' may have a quantitative reference, and the statement then means

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that the poor are a minority, and a small one. Or it may be given a structural reference, implying that real poverty is found only outside the normal structure of the economy and the social services. It has now been found that, though the poor are certainly a minority (but not quite as small a one as was once believed), poverty is not exceptional in the second sense. It exists within the economic structure, wherever full-time earnings are insufficient to keep an average family out of poverty, and it exists within the structure of the social services, wherever poverty exists, even when full use is being made of the help those services offer. In addition, poverty due to failure to draw benefits that are payable is also in a sense structural, in so far as it is caused by the lingering stigma attached to 'assistance'. Structural poverty can be remedied only by structural changes. It cannot be regarded as a hangover from a past period of scarcity which will dwindle to insignificant proportions, nor can it be treated by minor adjustments to the details of the existing economic and social service systems.

There are some who believe that the troubles with which the social services try to deal are deeply rooted in the economic system. Professor Titmuss, for example, has stressed the fact that for many consumers the services are not really benefits or increments to welfare at all; they are partial compensation for the 'socially generated disservices' and 'socially caused diswelfare' associated with a 'rapidly changing industrial-urban society'. 'They are part of the price we pay to some people for bearing part of the costs of other people's progress.' Since we cannot 'name and blame the culprits' and oblige them to make redress, we must either provide social services or 'allow the social costs of the system to lie where they fell'.<sup>3</sup> This is a modern version of the casualty relief view of the role of the social services. It identifies the cause of the damage as structural – located in the economy – but does not suggest ways in which social policy itself might induce any remedial structural changes.

Others take a less gloomy view about the 'diswelfare' caused by industrial change. There are, of course, casualties to be cared for, due notably to low wages, industrial injury and unemployment, and there always have been. But on this view action can be

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taken within the ambit of social policy to make or induce industry to instal, improve and standardize its own services on behalf of these casualties, and to plan the co-ordination of the efforts of the two parties, the public and the private. Obvious examples are the recognition of approved occupational pension schemes as substitutes for the State graded pensions (though we may expect changes here), legislation about dismissals and redundancy payments, and proposals that employers should take full responsibility for benefits during short-term sickness. Not only do the public social services become in this way linked with industry, but social policy, in the process of forging these links, can induce structural changes – even if minor ones – in the economic system. The rates and regulations of retirement pensions, and the provision of day nurseries for pre-school children should reflect the considered views of social policy about the welfare of older men and women and young mothers; but they also directly affect the labour market for these classes of potential employees.

The most difficult point of interaction between the social services and industry is that of low earnings. The more generous the standards of benefit become, the more likely it is that they will be higher than the present market value of significant sections of the labour force. It has been a firm principle, ever since the reversal of Speenhamland policy, that relief, or benefits, should not be used to subsidize wages. But, if wages remain below the standard rate of benefit, then the unemployed will be better off than those who are working – hence the so-called ‘wage-stop’. The traditional remedy was to push up the wages, and trust that industry would find ways of paying them or that the men would find other jobs. In the present state of the economy, with automation threatening to reduce the demand for some classes of manual labour, this may not be easy. So the question arises whether, in the interests of equity and the smooth running of the social services, these low wages should be subsidized from public funds. The employed, like the retired, would then have a ‘right’ to a guaranteed income.

A third level of thinking about the role of the social services can be represented by the statement of a French authority that

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'the modification of the structure of society has been one of the ambitions of modern plans of social security'.<sup>4</sup> This is a different matter from their impact on the economy in the ways just discussed. It could be taken to mean that social security has not been content to aim simply at income maintenance, either at a flat rate or a graduated one, or at the elimination of poverty, but has deliberately been designed to promote the development of a more egalitarian society. It can hardly be said that British social security has done this, but there are those who believe that it should. And although the combined effects of social security and taxation towards the equalization of *money* incomes is almost certainly less than might appear on the surface, the social services proper – in health, welfare, education, housing, etc. – have undoubtedly had a profound effect on the distribution of real income. This has been their aim, and the policy directing them has always been influenced, and sometimes inspired, by ideas of equity and social equality. Here again, it is hard to say how much progress has been made by these means towards the goal of a more egalitarian society, but it will not be denied that it is a legitimate part of the role of the social services, as at present organized, to pursue this goal.

But there are certain ideas, much canvassed in recent years, which suggest a rather different role for the public social services. They stem from a belief in the overriding value of choice in matters of welfare, and propose that the door to this should be opened by having mixed systems of medical, educational and other services, part public and part private. Those wishing to buy private service would be able to withhold part of their compulsory contribution to the cost of the public services and transfer it to the service of their choice, while maximum use, it is assumed, would be made of voluntary insurance to spread the risks. What would the effect be on the role of the public services? At present this role is a dual one. There is first the responsibility for establishing and maintaining a structure through which resources, sufficient in quantity and variety, are made available when and where needed throughout the country, and for seeing that it works. Secondly, it is the duty of the authorities to ensure that nobody in need of a service is unable to obtain it for lack of

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ready money, and that the same quality of service is provided, whether it is paid for in full, or in part, or not at all by the consumer.

If the first of these two roles were retained (as in fact it must be), the public services would be left to carry out a complicated and expensive task with reduced resources, while the private enterprises would be made free of a burden which they could never really have carried, and given a great competitive advantage. If only the second role were retained, we should be back with a two-tier system, the lower sector of which must concentrate on catering for the poorer classes of society. It would surely take some time after the adoption of such a scheme for it to become clear what exactly the role of the public services was to be. This is a disturbing thought.

So far we have been discussing the interaction between social policy and certain elements of the social and economic structure. The device known as negative income tax would go further than this and, by amalgamating social security (or sections of it) with direct taxation, would deprive the social service entirely of its character as an independent entity. The scheme revolves round the focal point of an estimated 'break-even' income, such that the recipient of it may reasonably be considered to be neither liable to pay any income tax nor entitled to receive any subvention. The estimate would, of course, take account of the number of individuals dependent on the income and the various commitments for which tax rebates are normally allowed, and it is obvious that some difficult value judgements are involved. Incomes above the 'break-even' point would be taxed progressively in the usual way and incomes below that point would be given a subsidy to bring them as near to it as was considered compatible with the preservation of economic incentives. This very crude description must serve as a basis for considering the implications for the role of the social services.

Firstly, the universality of the Beveridge plan is dropped, and the element of the social service role which is incorporated into the tax system is that of meeting proved needs; it functions selectively. One might say that its aim is to eliminate poverty, and that, if it could be perfectly administered, it would do so, in so far



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as poverty is a matter of income only. But it sets its sights higher than that; the aim of negative income tax is positive welfare. Secondly, it does not, because it cannot, fulfil the role of dealing selectively with individual needs without a test of means; but it uses the return of income in place of the 'means test'. Thirdly, because it is focused on needs, as estimated, it would, if applied to social security as a whole (which it need not be), sweep away those entitlements which, in the present system, constitute the right to particular kinds of benefit. The issue is clearest in the case of pensions. As was pointed out earlier, there have been several different conceptions of the basis of the right to a pension. The stress was once laid on contributions, then more simply on age (and retirement) with contributions determining eligibility rather than amount, and the recent trend has been towards the idea of superannuation. This means that all occupations should be pensionable in the same sense as the civil service and armed forces are today. The pensions would be related to average or terminal earnings and sufficient to support both a man and his wife, with provision (built-in or separately arranged) for his widow. They would thus reflect a section of the range of income differentials in the economic world and, since this range would exclude the extremes, the implied endorsement would be only of inequalities generally accepted as legitimate, and would not be incompatible with a general policy of equalization. Negative income tax, if applied to standard as well as to supplementary pensions, would wipe out these titles and substitute the relationship between total income and an approved standard of well-being. The implications for the role of social security are obvious. It would be confined to a selective treatment of 'need', leaving pensions in the true sense to be organized occupationally by employers, no doubt under public supervision but not necessarily with public subsidy.

The last point about negative income tax which is directly relevant to our theme is one which figures prominently in the fierce criticism levelled at it by Professor Titmuss. Selectivity, he says, based on gross money incomes and normal commitments is quite unfit to deal with poverty and deprivation. The circumstances are far too complex and quite beyond the reach of a mass, impersonal, computerized service. He is convinced that selective

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treatment of special needs is possible only on the basis of a generous, universal system of benefits. Selectivity, or positive discrimination, should then be exercised in terms of categories, not of income levels, but of types of need or situation, such as, perhaps, the handicapped, coloured immigrants, educational priority areas and so forth. This would reduce to the minimum the necessity of selective treatment by means test at the individual level.<sup>5</sup>

The kind of integration to which these ideas point is quite different from that achieved by negative income tax, it is integration between the cash benefit system and the welfare services. In this country, according to Tony Lynes, there is very little of this. He maintains in a recent article that 'the British social security system is remarkable for the extent to which welfare visiting and the provision of benefits in kind and other services have been kept separate from the administration of cash benefits'.<sup>6</sup> The step taken towards closer relationships by the Children and Young Persons Act of 1963 was a characteristically cautious one, allowing Children's Departments to give, if necessary, assistance in kind and, in exceptional circumstances, in cash. As for integration within the welfare services themselves, the movement in this direction has now culminated in the Seeborn Committee's plan for Social Service Departments, which carries important implications for the role of the personal welfare services.

Of these, two are outstanding; they concern the range and depth of public responsibility for personal welfare, and the functions and qualifications of social workers. It is clear that the proposed integration is intended to lead to an increase in both the range and the depth of the services included. It is not so much a question of introducing new ideas as of underlining old ones. It has long been accepted that agencies should not wait passively for cases to come to them, but should be on the look-out for them; they should (discreetly) advertise their wares and strongly urge those who need them to ask for them. When they take up a case, they should aim, not only at relief, but at cure, and the Report rightly insists that there is something even better than cure, namely, prevention. It follows that in the diagnosis and treatment of every case the situation must be viewed as a whole. The

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responsibility is a formidable one, and the crucial question is with what kind of authority should the welfare agencies be invested to enable them to carry and to discharge it?

There are two kinds of authority. One is the authority attached to an office, which confers power to mobilize resources and to issue instructions, or even orders. In the case of welfare officers the power to mobilize resources, that is to say, to direct the flow of services and physical aids to the places where they are most needed, is of great importance. The power to give instructions or orders is limited, but exists in some cases, notably in the care of children. Hence the current controversy over the White Paper 'Children in Trouble'. Professor Handler of Wisconsin concluded an article on 'The Coercive Children's Officer' with the remark that social workers are now 'administrative officials exercising governmental powers'.<sup>7</sup> Though not new, this is becoming an increasingly salient aspect of the role of the social services today, and will probably continue to do so in future. The other kind of authority is that of the expert, and it confers the power to influence the conduct of others by offering them the fruits of knowledge and experience. Much of the authority exercised by social case-workers – and without some authority they could have no influence – is of this kind. So it is important to know what sort of expertise they have.

Here we meet a dilemma. A welfare service which aims at being preventive, curative and comprehensive poses problems of diagnosis and prognosis of great difficulty and complexity. But the fact that investigation must study the situation as a whole means that no single specialism can cope with it. The choice lies between employing several specialists on one case, or trusting to the judgement of a single generalist. The Seebohm Committee advocates the latter course, because it believes that 'a family or individual in need of social care should, as far as possible, be served by a single social worker' (para. 516). The expertise would be available at a higher level. But it goes on to say it is expected that in the future 'as the service develops, specializations will cluster differently and new types of specialization emerge', but 'it would be unwise to attempt to define these now' (para. 524). Perhaps so, but it should be remembered that the role of a social

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service, especially a personal welfare service, must be tailored to the capacities of those who are to execute it.

In conclusion, the keynote seems to be integration – integration within the social security system and the welfare services, and between them, and also between either or both of them and the economy at large, in some cases by setting up administrative units and in others by imposing a common pattern or plan. The future role of the social services will depend very much on how these integrative processes work out, and no assessment can be made of trends in social policy without bringing economic policy and educational policy into the picture.

### Notes

1. *Commitment to Welfare*, Allen and Unwin, 1968, p. 124.
2. George Watson, *The Unservile State*, Liberal Publ. Dept, 1967, p. 100.
3. Titmuss, *op. cit.*, p. 133.
4. André Rouast and Paul Durand, *Sécurité Sociale*, 2nd ed., p. 584.
5. *Op. cit.*, pp. 122 and 134–135.
6. Michael Young (ed.), *Forecasting and the Social Sciences*, Heinemann Educ., 1968, pp. 136–137.
7. *New Society*, 3 October, 1968, p. 487.

# Universality Versus Selectivity

*Mike Reddin\**

THE future of our social services is an issue of periodic controversy. We are currently back to arguments about first principles: whether we should be aiming at the extension or the elimination of social services; or arguments for a private market as the major provider and distributor of services and benefits – particularly urged in relation to medical care, education and to a lesser extent for insurance in sickness and old age. The ruminations of the 1832–4 Poor Law Commission in its concern with ‘less eligibility’, the Liberal debates of 1906–11 on state–voluntary provision, and the basic principles of the Beveridge Report are being resurrected and re-presented. The concern with a ‘charity–voluntary’ market now reappears in ‘public–private’ form.

It is against this particular background – the role of the State and public expenditure – that the more specific debate on universality and selectivity has been reconvened. The respective participants in this debate have been variously accused of ‘jejune sentimentality’ and of being mean-minded free-marketeers. At times it has assumed the language and hostility of a factious religious war; at others it has been accused of relapsing into an obsessive concern with administrative minutiae. It is therefore particularly tempting for any writer on the subject to declare himself above these sordid squabbles; to declare that he brings an uncommitted and uncluttered mind to the issues involved; to proclaim with maximum intellectual arrogance (as did one recent author) that ‘policy has for twenty years until the last few months been made with sparse hearing for the inconvenient sceptics who introduce doubts, provoke agonising reappraisals, and endanger intellectual conservatism.’<sup>1</sup>

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There is another extreme and equally sterile form which has characterized the current debate. This approach assumes that the problems of social policy can be resolved in the aseptic vacuity of the laboratory and that under the cool, clear light of reason we can produce those neat little package answers which soothe all fears and erase all 'political differences'. Hopefully there remains a form of discussion which lies between dogma and the pragmatic.

Firstly, to define our terms. Traditionally the notion of a universal benefit has been exemplified by reference to the family allowance. That is, a cash benefit paid at fixed rates regardless of the income of the recipient. However, since the family allowance is treated as taxable earned income it is not of 'universal' value to recipients, varying in relation to the level of tax they as individuals pay. Thus, and this is of course true of all benefits subject to taxation, there are no cash benefits which are universal in value other than at the point of payment – all are to some extent elective in their incidence.\* The selective benefit has on the other and been traditionally associated with an income, or means, test; the amount of benefit, if any, being determined primarily by the means of the recipient. Benefit will be decreased as income increases and vice-versa. Under each type of benefit there will be *a priori* qualifications for that benefit; to claim family allowance one must have at least two children, to claim unemployment benefit one must be unemployed, etc., to claim reduction in charges for the home-help service one must first have been judged in need of the service (on social and/or medical grounds). Our definition of universal is therefore restricted to the notion of universal entitlement by virtue of being a member of a group – whether that be the sick, the unemployed or the children of a family. The level of benefit may be further proscribed, as in social insurance, by such factors as contribution record, length of membership in the group (e.g. time limits on entitlement to draw sickness benefit), age – as in the definition of a dependent child

\*It might be further argued that for a benefit to be truly universal, in the sense of equal value to all recipients, it would need to be progressively increased for those with higher incomes, i.e. the marginal utility of £10 to the poor man might be equated by £100 to the rich man.

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under family allowances – and, in some instances, residence qualifications. It is therefore important to bear in mind that we have no benefits which are truly universal in their value or their distribution other than in these much narrowed terms. The only approximation to a truly universal benefit would be one in which we gave, for example, £1 to every man, woman and child with no qualifying conditions at all. Even then, because we had contributed in various ways and at varying rates to the financing of this £1 'gift' – which even assuming it to be tax free, would be of varying value to us – the 'gain' would hardly be uniform.

Even a cursory examination of the concepts of universality and selectivity should, therefore, demonstrate the relative nature of the two systems. The debate on universal versus selective benefits cannot be a discussion of absolute or diametrically opposed systems, any more than the issues can be discussed without reference to the realities of the society and its economy within which these systems are intended to operate. 'Universal versus selective' should thus centre on two propositions: one being concerned with the relative extension or diminution of selective benefits vis-à-vis universal benefits; the other, more realistically, being the extension or diminution of the degree of selectivity within any benefit system.

We should however remind ourselves before proceeding further that the concepts of universality and selectivity are applicable to services as well as cash benefits. Whilst the major debate has concentrated on cash and income, the blanket provision of health, education and welfare services, regardless of ability to pay, has likewise been attacked by selectivist critics as yet another example of universal provision leading to the wasteful use of scarce resources. Again, the qualifications to the use of the term universal are worth reiterating. Provision of health and education may be more or less universal, but finance of these services from general taxation – in so far as such taxation is progressive – will of course be selective. Secondly, utilization of universal services may be highly selective, in that certain groups within the 'universe' may use the services more or less than other groups. Thus the selectively financed universal service selectively used presents a substantially different image than the wasteful implications of the

term 'blanket provision'. Further, the recent history of public finance, particularly in regard to the finance of universal services, is one of increasing attempts to concentrate resources in areas of greatest need. Whilst the tools may not be as refined as we would wish, the redistributive effects of the Rate Support Grant and, more specifically, policies of 'positive discrimination', as evidenced in the treatment of educational priority areas, are selective allocations of resources ultimately designed to rectify 'territorial' and 'group' injustices.<sup>2</sup>

Briefly, the assumption that we now live in a 'universal' world is a dangerous fallacy. We have already suggested that universal benefits are, as it were, those in which a universal gene is dominant but where there are also variant forms of recessive selective genes incorporated in the structure. We also have somewhat peculiar hybrids; for instance, the universal flat-rate benefit for unemployment with an earnings-related supplement plus the occasional further graft of a supplementary allowance. (Analogies of tissue-typing might be pursued further by the imaginative.) Similarly with benefits; as our tax rates rise, our children's tax allowances increase while universal family allowances decline in value. The current balance between universal and selective benefits is thus further confused by the overlap of benefit systems and the respective weights of universal and selective elements within any one system. Such systems are the responsibility of central and local government.

Before the war, it was often believed by many people who did not use the statutory health services that provision was free of charge. This was not so; for local authorities had the power (and sometimes the duty) to recover what they could from the people who were helped. In consequence there grew up a bewildering variety of means tests covering a large range of services. Apart from unemployment and health insurance, at least twenty tests were in common use by local authorities. Nearly all these tests were based on different income scales, and often the same authority employed for no good reason different tests for the various services it supplied. It was quite possible, therefore, for a typical working-class family (with two or three children) experiencing a normal amount of illness, mishap and economic strain, to undergo each year several different means tests at the hands of several different departments of the same local authority.<sup>3</sup>



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What was said of the pre-war local authority situation remains true today.<sup>4</sup> We have continued and extended the use of charges in the social services and of means-tested benefits despite beliefs about the universalism of our post-war social legislation. Indeed, the sheer quantity of selective benefit systems is of central importance. Quantity is crucial because what may be valid and acceptable arguments for one selective or universal benefit in isolation may be totally invalidated by the number of separate systems constructed on similar criteria. We shall return to this issue in greater detail later, but first we need to set out some of the arguments advanced in favour of universal or selective forms of benefit, and to make some analysis of the ways they work in practice.

Firstly, it is argued that universality of benefits and services is essentially egalitarian; that it stresses social unity rather than divergence; that the universal approach is a major guarantee that potential recipients will avail themselves of the benefits and services so provided since they are offered equally and without discrimination to all. In particular the equal payment of benefit or provision of service is seen to be equal and just by the community. Secondly, the universalist could argue that the redistribution so achieved (because the high taxpayer contributes more towards and realizes rather less than his 'equal' benefit) is more acceptable and equitable than a selective system which may merely reshuffle resources amongst the poor. Finally, the universal system is seen as relatively free from disincentives.

The selectivist response could be summarized as follows; that selectivity is more truly egalitarian – that to offer equal services or benefits to people in 'unequal' situations is not to offer equality but merely to underwrite their existing relative inequality; that to counter inequality one must act unequally – that the poor need more than, the rich less than, equal shares.

To take the argument further in these general summary terms is, however, unrealistic. From this point on, there is considerable divergence as to means and ends. It is an argument particularly complicated by the suspicions – some legitimate, some unsubstantiated – that each side has for the other's motivations. Are the aims of the universalists to place all provision in the hands of the State? Do the selectivists merely want welfare on the cheap,

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dominated by private provision for the more wealthy with the sop of State provision for the unfortunate? It is probably true to say that the universalists have been more prepared to tolerate and embrace aspects of the selective approach, whilst the selectivists have to date proved more virginal in their rejection of all universal solutions. Those who have advocated the continued use of both approaches have been generally reluctant to specify clear principles which might define those areas in which universal, selective or composite solutions were most appropriate.

Comparatively the selectivists have presented a more united and appealing front. As their spokesmen have been proud to point out, the majority of the population appear to favour social benefits related to need. Unfortunately, asking the population how to treat 'those in need' – a group from which we all (the poor in particular) seem to exclude ourselves – is not a very rewarding exercise; since we define 'need' and 'poverty' so variously and secretively it is not surprising that the poor are always Them and never Us.

And just how generous would our related-to-need benefits be? The fact that each party to the debate has questioned the motivations of the other is by no means irrelevant. With the same mechanism men can do many things; intentions, not just the limitations of the mechanism, govern what is achieved. The universal system may be universally generous or universally mean; the selective system may be selectively generous or selectively mean. For instance, if public expenditure is envisaged as a burden, a millstone about the nation's neck, then universalist or selectivist will seek to diminish it. We can legitimately claim that much selectivity to date has worked to favour the rich rather than the poor; that the rich man's use of the tax system has distributed a greater largess than the poor man's means-tests. Selectivity both takes and gives; to the poor it has frequently given in short measure.

This does not mean that either system cannot be changed to assume a new and more acceptable role; this is merely to recognize at the present stage of the argument that the historical ethos of selectivity has been negatively rather than positively discriminating. In particular, if it is to be used as a mechanism to

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distribute more resources away from the rich and towards the poor, then we need to remember that it is a poor who have known and remembered the cutting edge of selectivity in the past.

If the argument can now be moved on from generalities to practical detail these general issues are brought more clearly into focus. First we shall consider the arguments for increased use of selective charges for services. Charges can be seen as fulfilling four basic functions:

(i) as revenue source: most obviously the charge can be used to finance the service in question and/or be absorbed as part of the funds available for financing other services.

(ii) as regulator: the charge as the price which can regulate demand and in turn regulate supply. The charge may cover the economic cost of the service or be at a subsidized or inflated level.

(iii) as responsibility: the charge used to denote the individual's personal involvement in choice. More particularly, 'responsibility' has been a favourite argument in the past to justify charges. The child taken into the care of the local authority is 'charged for' in recognition of the continued legal responsibility of the parents to support their child.\*

(iv) as equalizer: the charge made for residence in an old persons' home is, in part, recognition that if no charge were made the old person would be in a notably better (financial) situation than his or her neighbour in the community.

These various functions of the charge for a service do not of course exist independently, although they may be variously stressed. The selectivist is primarily concerned that charges be extended since he feels that the lack of pricing and purchasing systems in the social services has been the very factor which has kept funds and services in short and inadequate supply. 'But charges necessarily deter, and they should deter – that is how they husband resources and minimize waste. The solution is not to avoid charges but to enable people to pay them by supplements to income.'<sup>5</sup>

\*Unfortunately the accumulated debt in such cases is frequently cited as the main reason for many parents failing to maintain contact with their children while in care.

Two major issues are raised by this statement; one is the function of the charge as deterrent or regulator, the other concerns our unequal abilities, because of our differing incomes, to pay those charges. The fact that we respond to price (assuming some elasticity of demand) is not in question – whether we should need to respond to price is more relevant. The particular arguments involved have been presented extensively, particularly in relation to medical care. What appears to be most critical is not in fact the price paid but *when* it is paid. Whether we cover our medical needs through private insurance, social insurance or general taxation we are all paying a price. (Much of the selectivist case is here taken up with dispelling a myth – for which one has yet to meet a believer – about ‘free’ medical care under the N.H.S.; ‘free’ at the point of demand has not been mistaken for free-absolute in this sceptical nation.) Yet the selectivist is concerned that our prices should deter. Deterrence from what is seldom clear, but ‘abuse’ and ‘over-utilization’ are regular candidates for sacrifice.\* Prices also, the argument continues, allow choice although the relevance of that choice is rarely emphasized. That the patient can, and does, use his power under the N.H.S. to choose whichever doctor he pleases seems a wider and more crucial choice than selecting the one he can afford. That the doctor can determine the appropriate course of treatment for his patient – *on medical grounds alone* – seems more important than that cash, insurance cover or vouchers should be added to the scale. And it is simply because demand is unfettered under these ‘free’ circumstances that we are able to discover the level and nature of demands. The fact that ability to pay is not the immediate and individual concern may well ensure that our demands are more real – if not always realistic. (Even selectivists have been known to cry for the moon.) We remain faced of course with the problem of supply: who will deliver the goods, who will pay for delivery and, again, of greater relevance, what will be supplied? But this is not a problem which is even remotely eased by direct

\*Possibly a reference to that old favourite about patients who, hearing their children’s convincingly anguished cries of pain – and lacking the necessary M.D. – rush to their telephones [*sic.*] at 3 a.m. to summon their general practitioner.

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point-of-purchase pricing; it is more likely to conceal demands and needs than to reveal them, hence misrepresenting demands to the potential supplier.

Further, the extent to which charges/prices 'husband resources and minimize waste' is again arguable. Waste is a sufficiently evocative word to make us all leap to join our local Ratepayers' Association. But one suspects that it is another of those terms employed of others but rarely of ourselves. To one, waste means 'free' prescriptions; to another it may mean colour television before improved primary education. If it means spending more than we ought or can afford then there is precious little evidence of such superfluity in the social services; if it means minimizing 'abuse' of services then again we have far greater ground for concern at under- rather than over-utilization. If charges can husband resources for spending they yet contain no guarantee of the wisdom of that spending - any more than the 'man in Whitehall' may display such wisdom. In committing oneself to the care of a doctor, or one's child to a teacher, there is no greater choice (or power) inherent in waving a cheque (or voucher!) under his nose. It might reasonably be described as an act of total irrelevance. The decision to consult the doctor, to send a child to school, is made - then follows the payment. If the medical care or the teaching is not acceptable we withdraw our custom. Just as occurs under State medical or educational services. So where is the great dramatic difference between these priced services and those where we pay our prices discreetly into the Inland Revenue or the National Insurance Fund?

However, perhaps we should return to the second issue of enabling people to pay. Let us assume some virtue, spiritual or secular, in paying direct charges for specific services rather than the anonymity of 'community finance'. Given that we are not all equally endowed with our monetary voting rights, and that our needs are not equally dispersed, how are we to ensure that any individual (or family) is financially able to procure the required benefits in the required place, at the required time and in the required quantity? The solution proposed in the passage quoted was described as 'supplements to income'. That is, where an individual's income is insufficient to purchase the services he

requires we should give him the means to do so. The proposed mechanics of this exercise have followed various proposals, but under two major heads – voucher schemes and (or sometimes proposed as an alternative) negative income tax.<sup>6</sup> Briefly, a voucher for education (or any other service) would be worth a fixed sum – for example £250 p.a. Individual parents would buy the voucher, its price varying in relation to their incomes. The low-earner would get his free, whereas the more wealthy would pay up to and including the full price. The voucher could then be used to purchase education in the school of one's choice: its value could be supplemented by those able to afford it. The second approach through negative income tax allowance is summarized by Professor Lees as follows:

At present anyone with an income in excess of income tax allowances and exemptions pays tax at some specified rate. To this would be added a system whereby anyone with allowances and exemptions in excess of income would receive benefit payments at some specified rate. The benefits would be a form of negative income tax and would supplement family income in an anonymous, automatic way at the initiative of the government.<sup>7</sup>

There are two very simple questions we ought to ask about such schemes, namely, how much? and how many? Several ancillary questions are of course relevant, primarily those relating to means-testing generally and in particular the collection and processing of reliable information on family income and commitments. These are crucial questions to the precise working of such schemes, and are not, as some have suggested, mere administrative detail. They have, however, been discussed by other writers and hopefully we need not reiterate the arguments here.<sup>8</sup>

We need to know how much families might obtain under such proposals in order to make comparison with their current benefits under current systems or other alternatives. Further, we need to know how much families would need to pay out to obtain their respective vouchers – would it be more or less than they currently pay through tax and social security systems? Also, we need to know the rates at which they would be expected to contribute towards such voucher purchases. The points at which one gets a voucher free or pays full cost are obviously important, but

equally so are the contribution rates between these extremes. How much of an increase in income will be offset by how great an increase in voucher price – what decrease in income will lead to what fall in price? In other words, what will be the effective 'education voucher tax' if my earnings rise by £1 a week? Obviously if that marginal tax rate is very substantial I may be disinclined to earn that extra pound: if that marginal rate is very low in order to minimize disincentives, the free voucher and the full cost voucher will be available at very widely dispersed income points – perhaps so wide that any notional redistributive aspect of the tax would be minimal. And this problem becomes major if we then ask, how many? For how many services could we take this approach? To return to an earlier point: what may be feasible in the singular may be impracticable in the plural. The effects, particularly as regards these marginal tax rates, would be increased as we add to our system each service in turn. When we have our assessments for contributions to education, health, housing, sickness and unemployment insurance vouchers, plus our negative tax benefits and tax contributions, what would we then consider as tolerable rates of tax? If the family income then rose by £1 at what cumulative rate would our benefits disappear?

How far then could we extend such a selective approach – and which services would we include in or omit from our list? Certainly the incentive–disincentive problem becomes immense. We know how acute this can be for the low income family at present under our mixed universal and selective systems. We can only estimate, with a fair degree of confidence, that it would be far greater under the schemes proposed above.

It would appear therefore that we are forced back to a seemingly unhelpful conclusion: the more we have of selectivity the more we have of disincentives. It appears depressing particularly because the 'disincentives' argument has come mainly from the universalists who might have been expected to feel uneasy in the face of such 'free-market terminology'. Yet it is the very element of the argument which might be expected to convince the selectivists of the fallacies of their solutions. They cannot argue that those market forces, which they see providing incentives to improve our schools, and hospitals, will be ignored by the con-


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tributing parties given the disincentives which they will experience.

Finally, the question of how much we demand of our services and benefits, the quantities we demand, is worth reiterating. Perhaps the great weakness of the voucher approach is that they are of fixed value; that is, there are prescribed and pre-determined limits to how much of a service we can claim. What happens, under this approach, to the child from a poor family who needs not £250 but £500 worth of education per year; to the sick adult who needs more than his 'quota' of medical care? In contrast the great virtue of the universal approach (which the selectivist sees as its greatest vice) is that demand is relatively unrestricted and is determined by needs. Decisions about the quantity of a service needed are decisions to be made between parents, children and teachers or patients and doctors; not bank managers.

There are within the selectivist approach too many contradictions and too many pressures likely to depress rather than to raise the standards of our services to the community. The hostility which this approach generates within society has always been evident. If we move from abstract questions such as 'Do you favour social benefits related to need?' to the real 'Should your neighbour pay less rent than you because he has a worse job and more children?' we may well find very different responses to what is essentially the same question.

The burden of proof lies with the selectivists to show that they can in fact as well as in theory:

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- (a) solve the problem of disincentives (in a world in which they argue for greater incentives),
  - (b) widen real choices as opposed to party games of 'shopping around',
  - (c) produce viable administrative schemes to implement such policies, and finance the substantially increased number of civil servants and the administrative costs involved in an extension of means-testing.

To reject the current approach of the selectivists is not to deny the possibility or the need to concentrate more resources and skills in areas of greatest need rather than spreading limited resources too thinly over an entire population. Hopefully, it has



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been shown that our current agglomeration of universal and selective benefits and services goes some way to positively discriminate in favour of the needy rather than those whose needs are slight. It is far more selective than is generally realized. It can be more so in the future but only if it takes into account the background against which the system must operate. The background is a society, not a vacuum; a society which sets limits and constraints but which also offers opportunities. We are only beginning to develop some of those opportunities; as already instanced, in a greater emphasis on the underprivileged area or community. Such positively discriminating devices may seem but blunt instruments to the ardent selectivist. They do however enable us to proceed to an egalitarian society without too many explicit and individualized signposts of stigma, success or failure, *en route*; they may prove in the long run to be part of a more generous and discriminating system than that augured by the superficial promise of selectivity.

### Notes

1. Arthur Seldon, 'Crisis in the Welfare State', *Encounter*, December 1967.

2. Bledwyn Davies, *Social Needs and Resources in Local Services*, Michael Joseph, 1969, particularly Chs. 1-3.

3. Richard M. Titmuss, *Problems of Social Policy*, H.M.S.O., 1950, p. 154 et seq.

4. M. Reddin, 'Local Authority Means Tested Services', *Social Services for all?*, Fabian Tract No. 382, 1968.

5. Arthur Seldon, *op. cit.*, p. 56.

6. Details of such proposals occur in M. Blaug's 'Economic Aspects of Vouchers for Education', in *Education: A framework for Choice*, Institute of Economic Affairs, 1967, and in D. Lees' 'Poor Families and Fiscal Reform', *Lloyds Bank Review*, October 1967. See also critique in essay by P. Kaim-Caudle in *Social Services for all?*, Fabian Tract No. 382, 1968.

7. D. Lees, *op. cit.*

8. In particular cf. R. M. Titmuss, *Commitment to Welfare*, Allen and Unwin, 1968, ch. 10.

## Civic Rights and Social Services

*Rosalind Brooke\**

THE Seeborn Committee has recommended that a new family service be established to take over work at present done by five or six separate local authority departments. The new service will be concerned with the 'prevention of social distress'.<sup>1</sup> Preventive aids will include casework and material help through better and improved services like, for example, home-help services, special laundry services and sheltered housing. The Committee, having analysed some of the causes of distress, significantly leave local authorities to review their own needs and services in order to determine current priorities. For this could only be done, they say, 'in relation to the needs and circumstances of specific areas, including their previous investment in particular services'.<sup>2</sup>

The Committee was not asked to go into the possible implications for users and potential users of this new service, although they did point out that their recommendations were designed to prevent people falling between two departmental stools. One department would help establish a clear system of accountability.<sup>3</sup> Citizen participation in the social services was seen by the Committee as being one way to identify needs and expose defects.<sup>4</sup> Ultimate responsibility for users of services whose needs were neglected or abused was placed on the elected representatives, the councillors.<sup>5</sup> The special need for advice on housing could be met either by citizens' advice bureaux or by local authority housing departments.

Will these recommendations succeed in alleviating all forms of social distress, some of which may be caused by the very social services designed to prevent such distress? Some problems face users and potential users of the social services which the Seeborn

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Committee was not able to consider at all, given its limited terms of reference. Furthermore, what problems may develop in the future from this new family service? So many questions are simply never discussed about the relationship between the citizen as user (as opposed to taxpayer or ratepayer) of the social services and the providers of those services, whether central government or local authorities. How does a user of services make his present needs felt? Who makes representations on his behalf to the providers and planners of services? How can the user influence the way a service develops? What rights has he if he is refused, or not even informed of, services? What avenues are there for complaints about the services he has been given? Are there different procedural standards in some services compared to others? If there are two standards, should there be? How do social workers decide whether to give material help to a client? Should so much help to users of some services be given under discretionary powers? Why should help from some social services be based on discretion rather than entitlement, and what effect does this have on administrative and complaint procedures? In what circumstances should there be entitlement? Should there be so many different means of testing when a potential user will be granted help? Does a lawyer have any role to play in the social services? What is the intended role of lay members on supplementary benefit advisory committees, regional hospital boards, and what is their actual role? Who acts as spokesman or advocate for users of services when refused an explanation, or refused help?

These are only some of the questions which could be asked about the relationships between the users and the social services. The major issue is perhaps the extent to which users of these social services should be subjected to many forms of procedure and control not imposed on other citizens.<sup>6</sup> Cohabitation which necessarily results in a higher moral standard for female as opposed to male recipients of supplementary benefit can be sufficient to justify the cutting off of benefit. But is it just that benefit can be withdrawn when the allegation is made, rather than after a hearing of the evidence? Another important issue is whether so much of the provision of help in individual cases

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should be governed by discretionary powers rather than based on entitlement to services in given circumstances. If it is decided that entitlement rather than discretion is the order of the day, then surely we need to put this into practice. The recent Ministry of Social Security Act 1966, by section 4(1), entitles those over sixteen to a supplementary allowance or, if of pensionable age, to a supplementary pension. But it is difficult to find out what a person is entitled to if the way to assess it is based on rules in the 'A Code', available only to Ministry officials.\* This raises the third major issue: what information could and should be made available to users of services? Is it right that people are not told how council houses are allocated, or that the waiting lists have 5,000 families on them? How can people know their rights and entitlements if information is not given to them? (Here it is important to point out that the S.B.C. continued using supplementary allowance books with out-of-date earnings limit rules in them<sup>7</sup>). A fourth issue is raised by the question to what extent social workers and social security officials should be allowed to make inroads on personal privacy. Should an old lady have to show her ragged underwear to a young male S.B.C. officer before he will grant a special allowance for clothing? Should a welfare worker be allowed to tell a woman that she should get married or get an affiliation order before she and her children are admitted to temporary accommodation for the homeless? The fifth major issue is whether local authorities should have a different standing at law, council tenants, for example, have a different legal status to tenants of private landlords.

The Seebohm proposals, particularly if coupled with recommendations from the Royal Commission on Local Government for much larger local authorities, will mean a far greater concentration of power in the hands of officials and social workers of the family service. What happens if an individual or family is labelled 'undeserving' or 'non-cooperative' by this new and powerful department, so perhaps being placed further down the housing list or denied other help asked for? What happens if the new department tries to reduce the number of families taken into

\*The Supplementary Benefits Commission is publishing a shortened version of part of the 'A Code'.

temporary accommodation<sup>8</sup> under Part III of the 1948 National Assistance Act by, for example, demanding a 'settlement'?<sup>9</sup> (Relics of the Poor Law still remain as some boroughs will not take homeless families who have been resident in the borough for only a short time.) Welfare departments have been known to suggest to a homeless mother that her expected child should be adopted. Another local authority will not take families into Part III accommodation if through their 'own irresponsibility' (defined as getting into rent arrears, however caused) they become homeless.<sup>10</sup> Children's departments differ in the amount of financial or other material help they are prepared to give under section 1 of the 1963 Children and Young Persons Act: some give help only when a child is taken into care, others beforehand.

Not only do local authorities vary in the interpretation and use of their many discretionary powers; they vary in the extent to which they are prepared to give information to the public. One large housing authority does not inform tenants who are being moved from slum-cleared property that they can obtain a small grant towards furnishing their new house – the tenant is expected to ask. Other housing authorities, often in the areas with the largest waiting lists, do not inform those anxious to put their names down that their chances of receiving a council house for many years to come are very slim. Nor do some housing authorities publish the facts about how council houses are allocated or what points system exists.<sup>11</sup> Some authorities will not rehouse in advance of slum clearance, and since such areas include much multiple-occupied housing, the effect is to discriminate against coloured immigrants in particular as to the availability of council housing.<sup>12</sup> No one knows to what extent some local authorities make only two or three offers of accommodation, sometimes one offer at least of unacceptable 'improved' housing, so that then the tenant can be labelled as 'uncooperative' and placed at the bottom of the list – even without discovering the reasons for refusal. With rent rebate schemes, local authorities appear to have made not only their own means tests, but also their own rules of practice. One housing authority refers inquirers about rent rebates to the S.B.C., omitting to tell them that supplementary benefit rent allowances are based on a different means test which

may be less generous.<sup>13</sup> This failure to give consumers information about a similar service (rent rebates) prevents them from making a wise choice about the 'best buy', and incidentally the housing authority's accounts are less likely to go into the red. Similarly, lack of information or explanation about the functions of rent tribunals and rent officers may lead somebody to make the wrong choice and as a result he may lose his home.

The social services in some areas appear to have evolved separate procedures, to the extent of establishing a more favoured position for themselves in the legal system. Some major housing authorities may be dilatory, if not reluctant, to carry out repairs on their own property. The public health inspector cannot take his own authority to court as he could a private landlord. Housing authorities sometimes obtain eviction orders against tenants and then hold them over their heads like a sword of Damocles - sometimes for years. It is most unsatisfactory for tenants that they should have to be given a formal notice to quit before their rents can be raised.<sup>14</sup> Some councils will refuse to have the wife as the tenant or to have husband and wife as joint tenants, so if the family breaks up, the housing authority may well not grant the tenancy to the wife until she has gone to court and got a separation order or a divorce (yet the tenancy was probably given to the family because there were children). The 1967 Matrimonial Homes Act does not apply to council tenancies.<sup>15</sup>

The decision-making process by social workers and other social service officials has seldom been investigated. How does a child-care officer decide to give material help (if at all) by paying an electricity bill or the rent arrears? In some circumstances material aid is used as a lever to obtain a more 'cooperative' response from the family.<sup>16</sup> Or a family might be refused aid if it were thought the parents were smoking unduly expensive cigarettes. Decisions based on inadequate evidence appear to be made by social security officials. A woman thought to be cohabiting may have her supplementary benefit cut off from the moment the official alleges this.<sup>17</sup> By contrast, of course, her husband would not be able to stop paying under his maintenance order until he had gone to the magistrates' court and proved his wife's adultery

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under section 8(2) of the 1960 Matrimonial Proceedings (Magistrates' Courts) Act. Unreal decisions are made about, for example, the possibility of employment for a severely disabled man. As long as he is thought to be capable of ordinary employment, he and his family will be wage-stopped.<sup>18</sup>

Not only may decisions in individual cases be taken on inadequate evidence and after inadequate procedures, but so may major planning decisions in redevelopment schemes be taken with insufficient concern for people left in cleared areas or moved to new flats. One survey claimed that only one per cent of tenants in a large estate wanted to live in high blocks.<sup>19</sup> Information may not be given in some cases about the time schedule in the development scheme.<sup>20</sup> Development in Tower Hamlets, for instance, continues despite the poor bus services, insufficient provision of secondary school places and the lack of shops, chemists, doctors and lawyers to serve this isolated community.

Users of social services need, above all, adequate information about what is available, what their rights are and how to get them. The Seeborn Committee stressed the need for adequate information about housing. But people need advice about many other problems – this is borne out in a survey in which the author was recently involved.<sup>21</sup> People need information in a simple form, preferably verbal since many official explanatory leaflets are comprehensible only to the people who wrote them. Not only do they need information, but the more inarticulate and timid clients of the social services need spokesmen, negotiators and sometimes advocates. In some areas this function is admirably filled by the citizens' advice bureaux; in many neighbourhoods there is no bureau (there are at present just under 490 in the U.K.). Many of these open only part-time and often at times convenient to the workers rather than the users. Outside central London (where some 19 bureaux are run full time by the Family Welfare Association) the standards of service in bureaux vary considerably. The National C.A.B. Council stress that C.A.B.s are neutral and unselective – they will advise landlords or tenants. Some individual C.A.B.s are most powerful advocates for their clients, but national policy is that C.A.B.s do not campaign or act as pressure groups. C.A.B.s are independent of central and local

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government (though local authorities often provide eighty per cent or more of their finance) and are admirably suited to provide the base for an expanded service for people to be told their rights, and to be helped to obtain them. They could also be powerful enough to stand up to the new proposed family service. People who come to C.A.B.s often have no professional pressure groups or trade unions to represent them, unlike the doctors, lawyers, social workers, electricians and dockers. The C.A.B. movement will have to decide whether to retain the present emphasis on voluntary workers (there are some 5,000 of them). If the need for C.A.B.s were more widely recognized, then more money might be available so that standards and training of bureau workers could be improved and the considerable variation in service diminished. National C.A.B. policy, which places such emphasis on impartiality and non-campaigning, may inhibit the recognition of the need for C.A.B.s and also makes for less sensitivity to the needs of their clients, because such needs may only perhaps be successfully met by making representations on their behalf nationally and by publishing the evidence of those needs.

The Seebohm Report is based on the assumption that social workers help people. Little attention was paid to whether this is a valid assumption at all or to the actual role played by social workers, let alone how they are trained for it, and how their role may (or should) change if the new family service is introduced. How do social workers *help* people? Is what is seen by social workers as 'help' also seen as 'help' by their clients? Do clients want (or need) casework help which can sometimes be akin to psychotherapy, before practical help? Some senior social workers appear to regard attempts by younger colleagues to obtain an explanation about how a supplementary benefit has been computed as too militant.<sup>22</sup> Present social work training generally places far more emphasis on developing casework skills rather than encouraging social workers to discover what rights and benefits are available to their clients. Training does not usually involve studies of decision-making in power situations where material aid can be withheld.

Training for social work is not alone in being deficient in this respect. Legal education in this country in most universities (and



certainly for the professional Law Society and Bar exams) is generally concentrated on those areas of law which affect the wealthy and big property and mercantile interests. A course on land law for undergraduates may well not mention post-1925 legislation except for the 1964 Perpetuities and Accumulations Act, let alone the Rent Acts. Many of the difficulties enumerated above might have been avoided had lawyers been involved in social welfare procedures. One American has written that because 'welfare clients seldom have legal assistance, statutory interpretations by administrators have generally gone unchallenged. But when a challenge is made, a significant change in prevailing practice may result.'<sup>23</sup> The presence of lawyers in tribunals will probably change the pattern at the hearings so that much more emphasis is placed upon the rights and entitlements of the client, rather than whether a fair hearing has been conducted.

Lawyers do not generally involve themselves in these areas of law for two principal reasons. Firstly, their training did not cover housing legislation, social security law (except possibly for something on industrial injuries) or the functions of local authorities in relation to the allocation of council houses and temporary accommodation. Secondly, statutory legal aid is not available in the tribunals set up to hear disputes under social welfare legislation. The Lord Chancellor's Advisory Committee on Legal Aid, which has assumed the difficult and conflicting role of guardian for the Treasury and representative of the users of legal aid, has recommended the extension of statutory legal aid only to the Lands Tribunal because that Tribunal is most akin to the High Court.<sup>24</sup> It is true that legal advice\* can be obtained under the statutory legal aid and advice scheme on any point of English law, but the difficulty for some people is to find a solicitor in the locality<sup>25</sup> and one sufficiently knowledgeable on, say, the intricacies of the Rent Acts from the point of view of the tenants, or supplementary benefits and allowances. Another major deficiency of the legal-aid scheme is that it covers advice or litigation (and

\*It has, too, to be borne in mind that the income and capital limits are far lower for advice than for legal aid. But see the proposals by the Law Society in *Legal Advice and Assistance: Second Memorandum of the Council of the Law Society*, July 1969.

tribunals are excluded) but does not cover letter-writing or making representations to, say, a local authority or social security office on the client's behalf, although the Law Society's proposals for the £25 scheme goes some of the way to meet this deficiency – assuming that it is implemented.

Formal procedures for resolving disputes have not been set up for many areas of social welfare legislation.<sup>26</sup> No formal machinery exists for disputes about council house allocation, non-admission to an old people's home, temporary accommodation or the school of parental choice. There are, of course, arguments on both sides about setting up formal machinery of this kind, but in how much of this area of decision-making could the three virtues of the Franks Report on Administrative Tribunals – openness, fairness and impartiality – be said to operate?

It might be said that the English judges can ultimately review cases involving these areas of administrative law. Apart from whether English judges are best qualified to be arbiters of social policy,<sup>27</sup> one of the fundamental weaknesses in our present 'system' of judicial review is the court's inability to control wide discretionary power. Another important characteristic of English judicial review is that it is so seldom invoked.<sup>28</sup> Remedies available are in urgent need of rationalization and at the same time greater emphasis should be placed on substantive due process instead of merely procedural due process.<sup>29</sup>

The Parliamentary Commissioner was set up with limited powers to review actions by central departments responsible to the Crown, so excluding local authorities, nationalized industries and the National Health Service. He has rejected over 50 per cent of complaints so far referred to him<sup>30</sup> – nearly half of these being rejected because they involved departments outside his jurisdiction. The Select Committee recently recommended that he should be able to investigate maladministration caused by a bad decision or a bad rule. The present government has announced the intention of setting up an ombudsman system for local government, while the Secretary of the Department of Health and Social Security has stated that there is a substantial case for a Health Commissioner.<sup>31</sup> Even so, it is probable that the only solution for these problems raised by governmental power, administrative

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procedures and possible arbitrary decisions is to set up a proper administrative court, either as a separate court or as an administrative law section of the High Court, comparable to the French Conseil d'État and with similar powers of review, of remedies, and above all of judicial personnel.<sup>32</sup>

An alternative, or indeed supplementary, method of improving administrative procedures and decisions in the social services might be by increasing the central inspectorate and giving wider powers to inspectors. But central government in its turn needs to be clear about its relationship with local authorities. Professor Griffith<sup>33</sup> has described certain Ministries as being regulatory (for example, the Home Office in relation to children's services); others as being promotional (the Department of Education and Science in relation to schools), and some completely *laissez faire* (the then Ministry of Health in relation to welfare departments).

The Seebohm Committee recommended that greater participation by users would uncover needs, defects and abuses. This is no doubt true, but at present we have little knowledge about what such participation has achieved or can achieve. The Skeffington Report, which is post-Seebohm, considers that 'the success of participation depends largely upon the local authority member', while the main recommendation to promote participation in planning was that community forums should be set up by local authorities.<sup>34</sup> But this does not go anything like far enough because this degree of participation would probably achieve only a two-way flow of information, if that. Neither of the Reports tackled the central question of who should participate, in what way and with what powers. Should user-participants be allowed to be an efficient part (in Bagehot's phrase) of the social services or merely a Gothic façade behind which the officials continue to operate as they have always done? Who should act as user-participants? Is it really intended that senile old people, homeless West Indians and the mentally subnormal will be on the committees? If not, who is suitable to represent their interests? How do we define a user-participant or a lay member?<sup>35</sup> In 1952, eighty-five per cent of members of regional hospital boards had previous hospital experience, three per cent of members were manual workers, fifteen per cent of members were women.<sup>36</sup> If we believe

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in user-participation (however we decide to define this), how many committees should there be, and should they be compulsory? In the field of education, only a small minority of local education authorities make specific provision for parent representation, while the grouping of schools makes nonsense of the notion of school managers as friends and neighbours of particular schools.<sup>37</sup> If we do have user-participants or lay members, what powers should they be given and how effective have they been in the past? One member of a D.H.S.S. (supplementary benefits) advisory committee was told at a recent meeting that that was not the place to raise the question whether under-sixteen year olds should be entitled as of right to supplementary benefit. The recent investigations into the allegations about mistreatment of elderly patients in mental hospitals would appear to show that some lay members of hospital boards and committees were completely unaware of the difficulties experienced by some of the patients.<sup>38</sup>

The Seeborn Committee pointed out that if the recommendations of the Maud Committee<sup>39</sup> for fewer local government committees and for a board of management were implemented, then local councillors could be helped to play their role of being ultimately responsible for local government services. But if, at the same time, the number of local authorities is reduced, then councillors will become even more remote as they represent thousands of people. Furthermore, councillors represent so many types of constituents; which group will be dominant in their minds – the ratepayers or the users of Part III temporary accommodation? The Plowden Committee pointed out that as local authorities get bigger, local representative bodies of consumers become even more important.<sup>40</sup>

No doubt it may be said that M.P.s and Parliament are the final resort for help. This may be true and certainly M.P.s are seen as the most powerful advocates and go-betweens in the attempt to obtain council housing. But some M.P.s hold infrequent surgeries while a survey in 1963 showed that one fifth of those replying held no surgery at all.<sup>41</sup> And it is now more difficult for M.P.s to exert a check on Ministers and to raise local matters because parliamentary time is limited and parliamentary ques-

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tions are often purely formal while the doctrine of ministerial responsibility can be exposed as a myth.<sup>42</sup>

The numbers involved in these areas of local and central government activities are not small. Local authorities own over four million houses and flats which represent a quarter of the nation's housing stock.<sup>43</sup> There were just under 70,000 children in care in 1967.<sup>44</sup> It is not known how many more applications for help of all kinds were made to children's departments. Over one hundred thousand people were living in residential, Part III accommodation,<sup>45</sup> while there are apparently conflicting figures about the numbers of people or families living in accommodation for the homeless. The Seeborn Committee thought there were 3,000 families (of which 1,860 had more than three children in the family),<sup>46</sup> while the Milner Holland Committee estimated that in 1965 there were 7,000 people homeless in the Greater London area alone.<sup>47</sup> It is not known how many families have been homeless during the year and applied for admission to homeless accommodation and been refused. Over one and a quarter million supplementary pensions (nearly seven million receiving retirement pensions) and three quarters of a million supplementary allowances were being paid.<sup>48</sup>

Even as the problems are diverse, so the solutions must be numerous. But the problem of discretionary powers must be tackled. Why should not more benefits of both cash and kind be given as of right? Once this has been decided, then information about entitlement should be made more freely available (e.g. the Supplementary Benefits Commission 'A Code' should be published, and council housing points systems made known). There could well be a legal charter for council tenants and certainly the legal status of such tenancies needs to be clarified, and brought in line with private tenancies. Administrative decision-making should be made more open and fair, not only by bringing in the concept of entitlement and the right to information and reasons for refusal, but also by evolving procedures whereby would-be recipients and users can dispute what they have (or have not) been allocated. Social workers' training should be better designed to fit them to give material help. Lawyers should be educated in these legislative fields instead of going to what they regard as

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more delectable (and more profitable) pastures. We should be clear about the extent to which users of these social services should be subject to different sets of procedures; and if we retain such different procedures, then we should be clear about the philosophical reasons for distinguishing between classes of users and different standards of morals. Is there a right to privacy in these areas and what does this really mean? More consumer and lay participation is desirable, but again we need to be clear about what this means and what powers (if any) such participants should be given. If the C.A.B.s do not change their policy against 'campaigning', there will be even greater need for legal advice centres on the principle of the American neighbourhood law firms or a chain of national consumer shops housing both lawyers and social workers.<sup>49</sup> There is a need for more information about services which are available, and more services to enable people to obtain such help. It is significant that the proposals published in the summer of 1969 for the Government's community development projects contained little on this subject, while lawyers and C.A.B. workers were not even listed as important people to involve in the projects.\* The powers of the Parliamentary Commissioner should be extended to cover local authorities and the N.H.S. or, alternatively, separate commissioners should be set up to cover these services. Ideally, however, the more effective means of redress in cases of injustice where no satisfaction could be obtained, would be by resort to the courts, but courts which should be rationalized and strengthened by creating a new jurisdiction of administrative law and remedies similar to the Conseil d'État.

No doubt it will be said that we have not got enough of the right lawyers/administrators to staff a new court. It will also be said, no doubt, that unless we keep S.B.C. discretionary rules secret, every decision will be disputed in countless appeals; that there is no money to strengthen C.A.B.s or set up neighbourhood law firms; and that if there was not an acute housing shortage in some areas, then there would be no problem about the powers of local authorities. But these are non-arguments. If there are not enough lawyers, then let us start teaching and inspiring them

\*Six months later C.D.P. research projects were looking at information and legal-advice services.

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now. If discretionary rules were disputed on a grandiose scale, surely this is more fair and just than the present secretive processes. Why should not the C.A.B.s have money from the legal aid fund to strengthen their own service and employ lawyers on a consultancy basis if few solicitors are prepared to provide preliminary legal advice? Above all, let us try to answer the question whether social workers do help people and whether greater numbers of social workers will alleviate social distress.

### Notes

1. *Report of the Committee on Local Authority and Allied Personal Social Services*, H.M.S.O., 1968, Cmnd 3703, para. 427.

2. *Ibid.*, para 4.

3. *Ibid.*, para. 157.

4. *Ibid.*, para. 491.

5. *Ibid.*, para. 624.

6. C. Reich, 'Individual Rights and Social Welfare: the Emerging Legal Issues', *Yale Law Journal*, vol. 74, 1965, p. 1245.

7. Audrey Harvey, 'Defrauding the Poor', *New Statesman*, 12 January, 1968, p. 38.

8. Audrey Harvey, 'The Scandal of the Homeless', *New Statesman*, 2 December, 1966, p. 820.

9. Tower Hamlets Council of Social Service, *People without Roots, a Study of Tower Hamlets*, ed. F. W. Skinner, 1967, p. 16.

10. *Ibid.*, p. 16.

11. *Ibid.*, p. 13; and see Cullingworth Committee, H.M.S.O., 1969, p. 27.

12. Elizabeth Burney, *Housing on Trial*, Inst. of Race Relations, O.U.P., 1967, p. 135.

13. Audrey Harvey, 'The Mockery of Rent Rebates', *New Statesman*, 6 December, 1968, p. 778.

14. National Board for Prices and Incomes, *Increases in Rents of Local Authority Housing*, H.M.S.O., 1968, Cmnd 3604, para. 81.

15. Olive Stone, 'The Matrimonial Homes Act 1967', *Modern Law Review*, vol. 31, 1968, p. 309.

16. Joel Handler, 'The Coercive Children's Officer', *New Society*, 3 October, 1968, p. 486.

17. Child Poverty Action Group, *Poverty*, August 1968, p. 11.

18. *Ibid.*, *Poverty*, Spring 1967. But see *The Administration of the Wage Stop*, H.M.S.O., 1967, para. 36.

19. *The Observer*, 18 February 1968.

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20. R. Guthrie, 'The New Blitz', *New Society*, 19 September, 1968, p. 397, and see D. V. Donnison, *The Government of Housing*, Penguin Books, 1967, p. 326.

21. The Law and Poverty Survey, financed by the Ford Foundation, directed by Professor Abel-Smith and Mr Michael Zander; a book is to be published shortly by B. Abel-Smith, Rosalind Brooke and M. Zander.

22. Child Poverty Action Group, *Poverty*, Winter 1967.

23. Reich, *op. cit.*, p. 1252.

24. Lord Chancellor's Office, *Report of The Law Society and Comments and Recommendations of the Lord Chancellor's Advisory Committee, 1966-7*, H.M.S.O., 1968, p. 55.

25. Rosalind Brooke, 'Why not more legal help?', *New Society*, 31 March, 1966, p. 13.

26. Justice, *The Citizen and the Administration*, p. xi, Foreword by Sir Oliver Franks.

27. For example, the Poplar Guardians case: see B. Keith-Lucas, 'Poplarism', *Public Law* (1962), p. 52.

28. S. A. de Smith, *Judicial Review of Administrative Action*, 1st ed., p. 24.

29. *Public Law* (1967), p. 185. Summary of Working Paper on Administrative Law by the Law Commission, and see Law Commission, *Administrative Law*, H.M.S.O. 1969, Cmnd 4059.

30. *Fourth Report of the Parliamentary Commissioner for Administration, 1967*, H.M.S.O., 1968, p. 3.

31. Hansard, House of Commons, 22 July, 1969, col. 1502.

32. See J. D. B. Mitchell, 'Administrative Law and Parliamentary Control', *The Political Quarterly*, 1967, vol. 38, p. 360.

33. J. A. G. Griffith, *Central Departments and Local Authorities*, Allen and Unwin, p. 515 et seq.

34. *People and Planning*, H.M.S.O., 1969, paras. 43, 60.

35. See *Findings and Recommendations Following Enquiries into Allegations Concerning the Care of Elderly Patients in Certain Hospitals*, H.M.S.O., 1968, Cmnd 3687, p. 1, where it is pointed out that the Minister of Health considered a member to be a lay member provided he was unconnected with that particular hospital board.

36. H. Eckstein, *The English Health Service*, p. 188.

37. Central Advisory Council for Education, *Children and their Primary Schools*, H.M.S.O., 1967, p. 414.

38. B. Robb, *Sans Everything*; and see Cmnd 3975, H.M.S.O., 1969, ch. XI.



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39. Ministry of Housing and Local Government, *Management of Local Government*, vol. I, H.M.S.O., 1967.
40. See *Children and their Primary Schools*, p. 416.
41. See R. E. Dowse, 'The M.P. and His Surgery', quoted in B. R. Crick, *The Reform of Parliament*, Weidenfeld and Nicholson, 1964, p. 73.
42. See R. H. S. Crossman in his Introduction to W. Bagehot, *The English Constitution*, Fontana, 1963, pp. 43-5.
43. Seebohm Report, Appendix F, p. 272.
44. *Ibid.*, p. 257.
45. *Ibid.*, p. 277.
46. *Ibid.*, p. 279.
47. *Report of the Committee on Housing in Greater London*, H.M.S.O., 1965, Cmnd 2605, p. 182.
48. Ministry of Social Security, *Annual Report 1967*, H.M.S.O., 1968, Cmnd 3693, p. 9.
49. Lucy Syson and Rosalind Brooke, 'The Voice of the Consumer', in Brian Lapping and G. Radice (eds.), *More Power to the People*, Longmans, 1968; and see Society of Labour Lawyers, *Justice for All*, Fabian Research Series 273.

# Housing Policies and Prospects

*John Greve\**

DESPITE the flow of legislation and the considerable improvement in the housing situation since 1945, public interest in housing has not abated. Housing is still the most scrutinized and discussed of all social issues, and still subjected to the most constant appraisal and reappraisal. Robbins, Plowden and the two Newsom Reports notwithstanding, housing continues to attract more attention than any other field of social policy.

The present housing situation has been shaped mainly by cumulative long-term changes in the size and structure of the economy and population – including the geographical distribution of each – but also by the successes and failures of past housing policies. Baldly put, past successes have raised expectations and stimulated demand for more and better housing, while past failures have left millions of houses standing which were regarded as unsatisfactory as long as fifty or sixty years ago, permitted others to decay through lack of repair – often encouraged by excessively low rents – and allowed or even caused yet others to be built at less than reasonable (or economic) standards of design, construction or equipment.

The economic and demographic factors on the demand side are well known: the population is growing, real incomes have risen considerably since the war and are still rising, and though not equitably shared they have been spread widely throughout the population carrying higher living standards with them. Higher incomes and full employment have stimulated the marriage rate. People marry younger and have children sooner. Young people

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(including the growing number of students), better paid, more mature and more independent than ever before, are increasingly inclined to leave home and set up in a place of their own. Meanwhile the number of old people is increasing and improved private and public pension schemes – together with the willingness of the Supplementary Benefits Commission to pay their rents – makes it possible for more of them to maintain their own homes.

A comparison between this country and Denmark or Sweden of the existing ratios of households to population and of the rates of household formation shows that the demand for housing emanating from 'household fission' is potentially far greater than has been expressed so far. The demand for small dwellings is, therefore, likely to be sustained for a long time to come and to concentrate in those urban areas where the shortage of housing is already most acute, prices and rents climbing most steeply and increasing the supply of housing is especially costly.

Pressing though it is, however, increasing the supply of housing to meet expressed demand is not the greatest of our housing problems. The most urgent need is the replacement of millions of old houses crowded around the centres of our larger cities and towns, but which, as a recent White Paper<sup>1</sup> confirms, are also spread more widely and in greater numbers than had earlier been recognized – officially at any rate. The replacement of this vast, continually replenishing pool of unfit and sub-standard houses is the dominant housing issue. It is the problem which has haunted housing policy since the mid nineteenth century, long before the Government intervened directly, and it is part of the broader problem of how to provide good housing for those who need it most at prices they can afford. The solution continues to elude us. Even in the public sector it has been found much easier to provide new houses for those who can afford to pay – leaving thousands of the poorest and worst-housed unaided – while the private sector has never been interested in any other.

Concentration on the building of new houses with the aim of adding to the total stock has been the most important objective of housing policy for most of the time since 1919 – apart from a short period in the 1930s when the slum-clearance programme was

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belatedly launched, and since 1955. The second slum-clearance programme lumbered slowly into action in 1956 and despite the fact that we now have more slums, greater wealth and know-how, more advanced building techniques, more technical and administrative personnel available and more extensive powers of regulation and acquisition, we have not yet reached the level of clearance and replacement that the previous programme reached – 90,000 by 1938 – after about five years. The best post-war year so far was 1967 when the number of slums ‘dealt with’ (as the White Paper<sup>2</sup> puts it) reached 71,769. The White Paper goes on to claim: ‘This is by no means an unsatisfactory record, but it is *no longer* [my italics] good enough.’<sup>3</sup> Far from the truth; for it *is* an unsatisfactory record and never was good enough. The rate of slum clearance has always fallen short of intentions, and intentions have always been inadequate when measured against the number of known unfit houses and the rate at which old houses deteriorate into unfitness.

Successive Governments have been shamefully complacent about the size and urgency of the slum problem, and the White Paper which forms the basis of the new Housing Act gives scant encouragement of a deep change of attitude. It says, for instance, that ‘the number [of unfit houses] to be cleared has been underestimated in the past.’<sup>4</sup> But is this correct? And even if – by sticking to the official designation of unfitness – it is true in the letter, there has been clear evidence in the past that replacement programmes were falling far short of requirements.

A study made in 1960 by the Government Social Survey<sup>5</sup> estimated that from 1960 to 1975 the required annual rate of replacement was 130,000, and for the following fifteen years (1976–90) should average 197,000 a year. In fact, the average annual rate of closure or demolition since 1960 has been under 63,000. Thus, far from diminishing, the number of unfit and unsatisfactory houses to be cleared is increasing quite rapidly. In 1954 the slum clearance programmes drawn up by local authorities produced an estimated total of 853,000 unfit houses, a figure accepted by the Ministry of Housing while admitting that there was ‘considerable variation in the information on which [the

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estimates] are based'.<sup>6</sup> The estimates were questioned some ten years ago by Cullingworth who commented

it is beyond question that this is a gross underestimate of the problem. Though some authorities such as Manchester or Liverpool have included *all* the unfit houses in their estimate, others have lowered their sights to what can be achieved within, say, twenty years. To those who know Lancashire there is something odd in the fact that though 43 per cent of the houses in Liverpool are estimated to be unfit, the proportion in Manchester is 33 per cent; in Oldham 26 per cent; in Salford 24 per cent; in Bolton 10 per cent, and in Stretford 0.5 per cent.<sup>7</sup>

In the first five years of the slum clearance drive (1955 to 1960) about 395,000 unfit houses were to be demolished – an average of 75,000 a year. But local authorities reached only two thirds of their target, and in 1961 the then Minister of Housing (Mr Henry Brooke) admitted

frankly, I never believed that the programme could be achieved, and I never endorsed it. I never believed that local authorities would manage to accomplish much over 60,000 slum houses demolished or cleared each year. . . . I want this average of about 60,000 houses a year to be maintained.<sup>8</sup>

A very modest target, having regard to the local authorities' own estimates of the rate of clearance required and, as noted earlier, it was no more than two thirds of the pre-war rate. Moreover, it was at about this time that the Social Survey's estimates of future replacement rates must have become available to the Minister. But no major revision of the official view came until 1968<sup>9</sup> following a Government survey – carried out in 1967<sup>10</sup> after inexplicable years of delay – which revealed that there are about 1.8 million unfit dwellings in England and Wales (12 per cent of the total stock). No less than one third of the entire stock of privately rented housing is categorized as unfit for human habitation. These statistics of unfitness apply after twelve years of the clearance campaign and the demolition of at least 800,000 slum houses since 1955. This suggests – but it can do no more – the extent to which clearance policies and their fulfilment have fallen short.

In addition to the houses classified as unfit, the 1967 survey

found that about 4·5 million dwellings require either £125 or more spent on repairs, or lack one or more basic amenities, or come in both categories. Thus 6·3 million (40 per cent) of the total 15·7 million dwellings in England and Wales are either unfit or in need of substantial repairs and improvement to bring them up to minimum standards. About one million require repairs costing between £500 and £999, and a further 750,000 will need £1,000 and over to bring them up to an acceptable level.

The provision of new houses to replace those demolished in slum clearance takes between 15 and 20 per cent of total housing output, and no more than one third of the total local authority programme. This hardly suggests that the replacement of our worst housing has been given high priority. One of the reasons for this neglect is, undoubtedly, the complexity of the task – and it is one that local authorities are generally not well-equipped to cope with. This applies most forcefully to the clearance areas in which over 60 per cent of the slums are found. But even where unfit houses are more scattered their removal and replacement is rarely a straightforward operation. Difficulties are greatest in 'clearance areas', where the worst concentrations exist. There it is not just a matter of demolishing and rebuilding houses, for poor housing, poor schools, poor social, recreational and service amenities, overcrowded roads and undesirable conglomerations of housing and industry tend to go together. The slum houses and their environment are part of a squalid whole and the local authority is faced with the task not simply of building new houses in old districts, but of replanning and reconstructing whole areas.

The second major issue for housing policy is the improvement and maintenance of millions of older houses. After the unfit houses have been deducted, up to a third of all dwellings in England and Wales (most of them rented from small landlords) come into the category of houses in urgent need of repair<sup>11</sup>, and, as will be discussed later, improvement policies since 1949 have only retarded obsolescence and decay. They have not been able to halt the process – and this failure adds steadily to numbers of unfit houses.

Another major task for housing policy is the elimination of housing hardship and overcrowding, which are endured by larger,

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poorer families in particular. These circumstances are frequently associated with environmental squalor and gross deficiencies of all manner of amenities (inside and outside the dwelling), though the house or the district might not be classified as slum. They are found in the neglected 'twilight' areas of the larger cities – exemplified by those areas of London described in the Milner Holland Report.<sup>12</sup> These are the areas which in the past have produced homeless families by the thousand, as the research team which studied the problem for the London County Council seven years ago feared they would.<sup>13</sup> And they still do. The increasing numbers of homeless in London resulted, in 1969, in the commissioning by the Department of Health and Social Security of a new and more comprehensive study of the problem. This study, like the earlier one, was led by the author.

### PAST POLICIES

The present housing problem and current policies cannot be discussed adequately without reference to the past, for past action and inaction has helped to create the existing situation and official judgements of the successes and failures of earlier measures help to shape decisions about future policy.

Housing policies since the war have moved through various phases. When the war ended the Labour Government began a housing drive which was to be directed as a military operation with the local authorities as armies, divisions and battalions in the field while the high command was based in Whitehall. Housing subsidies and the continuation of rent control formed the financial strategy and there was a stringent, comprehensive system of allocation of materials and housing according to defined priorities. By 1951–2 up to 85 per cent of all houses were being built for local authorities and only 15 per cent for the private market. The intention was that local authorities should meet the general demand, as housing and private builders were allowed to operate only on the peripheries of demand.

The Conservative Government which was returned in 1951 abolished most controls over building, increased housing subsidies, but reduced the size of council houses, gave builders a free

hand, imported more raw materials and saw the rate of building rise.

The next phase of policy began in the mid fifties. Until then the primary aim of housing policy had been to build as many houses as possible in the shortest possible time. The shortage was so widespread that it did not matter much where they were erected. But now the structure of the problem was beginning to emerge, and the features which are so familiar today could be recognized: slums and obsolescence; the neglect and decay of inner areas in large towns and cities; the growing scarcity of building land; the shortage of small dwellings, especially for old people; the resumed drift of population to London and the South-East. It was no longer enough – if it ever had been – to concentrate the overwhelming volume of resources on trying to provide a house for every family. Policy had to become more selective, and to do so it needed more precise aims.

The general needs subsidy was therefore abolished by the Housing Subsidies Act, 1956, and subsidies were directed to such objects as slum clearance, overspill housing and one-bedroomed dwellings for old people. The bitterly contested 1957 Rent Act introduced the progressive removal of rent controls with the aims of increasing the supply of privately rented houses, improving their condition, rationalizing rents and encouraging the more efficient use of house-room. Improvement grants were made more generous as an added inducement to landlords and owner-occupiers to raise the standards of their houses and, to overcome the reluctance of some local authorities, owners were given a statutory right to 'standard grants'.

Unfortunately, neither the Rent Act nor the bigger improvement grants had the desired effect. The supply of rented housing has fallen sharply and is still declining as slum-clearance and owner-occupation make their inroads. Meanwhile, the use of improvement grants has actually gone down: 113,142 grants were made in England and Wales in 1967 compared with 130,832 in 1960. And over an eight-year period up to 1968, 49 per cent of grants went to owner-occupiers, 29 per cent to local authorities, and 22 per cent to private landlords<sup>14</sup> – the category of owner whose houses are most in need of improvement.



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Changes in housing policy following a Labour victory in the 1964 General Election have included a partial reimposition of rent control – modified by the introduction of rent regulation and the concept of fair rents, an interest rate subsidy, revised housing subsidies, the establishment of the Land Commission and the raising of the housing target to 500,000 houses a year, half of them to be built by local authorities, which represents a very considerable increase in their output. Apart from the setting up of the Land Commission none of the changes could be described as fundamental – and none of them indicated a major attack on the worst features of the housing problem.

The White Paper *Old Houses into New Homes* (Cmnd 3602) issued in April 1968 returned to the theme which was supposed to have been central to housing policy since 1955, and proposed a number of alterations to existing policy, some of them of considerable importance. These proposals have been put into effect by the 1969 Housing Act. Local authorities are now to have the duty of assessing what needs to be done about 'unsatisfactory areas'. They are to be empowered to declare 'general improvement areas', to acquire land and buildings in these areas for improvement of houses or of the environment, or for clearance. Much bigger improvement grants are to be obtainable on more liberal and flexible terms, and environmental improvement grants will be available to local authorities. The rents of improved houses may be removed from rent control and transferred to rent regulation at 'fair rents'. Other provisions are designed to give greater incentive to local authorities, landlords and owner-occupiers, to carry out improvements.

In a key passage the White Paper stated:

The Government look to the local housing authorities to be the main instruments of this policy in their areas . . . the local authorities must take the lead and drive the policy forward in each town and district. They will need better powers, better techniques, and better financial arrangements. But above all, each authority will need to make up its mind to secure results: the Government hope that the proposed legislation will be taken as the occasion for this new effort to begin, and not merely as a series of technical changes [para. 7].

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It is one thing to give powers to local authorities, but quite another to ensure that they are implemented in accordance with Parliament's intentions. The effectiveness in practice of any policy depends very much on the capability of the administrative apparatus, and the majority of the 1,500 or so local housing authorities are ill-equipped to carry out the major tasks of housing policy – including those contained in the latest proposals. Although local authorities – thanks, largely, to Government initiative and finance – have achieved a great deal in the housing field since 1919, their present nature, administrative structure, policies, boundaries and the maldistribution of resources in relation to needs, have also imposed severe handicaps on the effective tackling of housing and other social problems.

What the Ministry means by 'better techniques' in the paragraph quoted is not clear, but a marked expansion in the housing activities of local authorities – especially in clearance and improvement – must be related to the availability and quality of staff, material resources and capital. The proposed financial arrangements are substantially better than previous ones and should lead to an increase in housing and environmental improvements. But they are grafted on a heterogeneous collection of existing financial devices which have been accumulated over the past half century. Every few years minor adjustments are made at one point or another of the large, bewilderingly complex and misshapen structure. The changes invariably add to the complexity of the arrangements and to the anomalies they create. Fundamental and radical changes are required if public financial and fiscal aid to housing is to be made more effective and equitable.

The proposals in *Old Houses into New Homes* form part of the new Housing Act and, taking them together, they constitute a further advance in defining problems and prescribing remedies. But there is little chance that the comprehensive and sophisticated activities proposed will be conducted on an adequate scale under the existing local government system. The Redcliffe-Maud proposals for local government reform could, if implemented, go a long way towards creating more appropriate bodies for carrying

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out housing programmes, but in any case, it will take some five to ten years for the reorganization to prove effective.

## CONCLUSIONS AND PROPOSALS

Living standards in this country are among the highest in the world. We are able to afford such disparate new commodities as colour television, and nuclear submarines at £55 million each. Meanwhile about 40 per cent of the population of England and Wales lives in inadequate housing – some 5.5 million of these people in slums. At the same time we have one of the lowest house-building rates in Europe and one of the lowest rates of investment in housing<sup>15</sup> – despite the fact that house prices in the private sector have risen by an average of 10 per cent a year for the past decade. In the larger towns and cities, particularly, demand in both public and private sectors of housing remains high and there are long waiting lists for council houses. In London waiting lists are increasing and the number of homeless families is rising, while the supply of rented houses steadily dwindles and the condition of privately rented housing continues to deteriorate. The achievements of past housing policies are considerable, but the conditions just noted must be set against them as must the relative failure of past clearance and improvement policies. Major changes in the administration and financing of housing policy are required in order to make it more effective.

The first and most urgent requirement is the reorganization of local government; for without it housing policy cannot attain its major objectives. Even if local government as now constituted were capable of dealing with the immediate tasks of housing renewal and improvement – which it is not – local authorities are manifestly not the appropriate agencies for determining broader housing policies. The provision of housing is only one part – though an important one – of the wider system of economic, social and physical planning. And the rebuilding of cities, which is what the central aim of housing policy now amounts to, is essentially a task for comprehensive planning at the regional level – as the Ministry of Housing and Local Government itself

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argued in its evidence to the Royal Commission on Local Government, going on to recommend the creation of thirty to forty city-regions to replace the present system of local government. Urban renewal is not solely, or even primarily, a housing task and it is too important to be left to a multitude of ill-assorted local housing authorities.

The reconstruction of local government would also provide an opportunity for the much needed reorganization of housing finance with a view to achieving greater effectiveness and equity in the use of resources. Simplification is another highly desirable objective. At present, housing is financed in a number of ways, each operating under a different set of rules and providing or withholding money according to a variety of criteria. Subsidies are provided under different names through: the council housing system, tax allowances to borrowers, the option mortgage scheme, improvement grants and social security benefits. Rent control also functions as a form of subsidy to very many tenants, while others on lower incomes and living in worse conditions have to pay higher rents but receive no subsidy whatsoever. The result of the existing muddle is an irrational and inequitable distribution of benefits to certain sections of the population while excluding many of the most needy. In the public sector alone there is a hotchpotch of local authority policies on rents and the uses of subsidies,<sup>16</sup> as well as on the allocation of houses and management generally.

Limitation of space means that a discussion of most of these matters must be omitted from this chapter, but the guiding principle for any reorganized system of housing finance must be that aid from public sources should be related specifically to the needs of the individual household. This would involve some form of housing allowance to families instead of the present arrangements with all kinds of historically determined subsidies paid to local authorities and housing associations. The allowances should be available to households in all sectors of housing – council, owner-occupied, privately rented and housing associations.<sup>17</sup>

A radical reorganization of the entire structure of housing finance in the council sector is overdue. Councils which have built large numbers of houses since the war find that they have to

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raise rents continually to meet repayments on loans borrowed at low rates of interest, but repaid at current high rates. About 70 per cent of the total housing costs faced by local authorities consists of loan repayments. The proportion is rising by about 1 per cent a year,<sup>18</sup> making council housing particularly vulnerable to rising interest rates (2½ per cent in 1946-7, 4¼ per cent in 1952, 7½ per cent and over in recent years). Housing authorities are trapped within the present financial system – they borrowed cheap but have to repay dear – and the brunt falls on council house tenants.

It is clear that a reorganization of housing subsidies and of local government housing finance must come, and it would be better if it came soon. The changes needed are both fundamental and comprehensive. A massive reconstruction is required and this cannot be carried out as a lightning operation. The administrative and financial ramifications are much too great to make this practicable, but a phased changeover of the present subsidy and loan arrangements can be planned. The progressive reorganization of finance could be spread over as long as thirty years – as in the new Swedish arrangements for state loans.<sup>19</sup> If the Government is looking around for ideas on housing subsidies – as it ought to be – it could do worse than examine the Swedish model.

The shortage and consequent high cost of land in areas where employment is expanding and the demand for houses is high prompted the Government to set up the Land Commission. So far, however, the Commission has acquired little land, but it is too early to condemn it as a failure. The next few years will show. But even if the Commission succeeds in obtaining substantial amounts of unbuilt land for housing we still have to work out a way of acquiring large blocks of urban land and properties for the essential task of renewal without being unfair to the owners and without robbing the public. Existing methods are too slow, exceedingly cumbersome – largely due to the diffusion of ownership and interest in land and buildings – and also expensive. Besides examining other methods of acquisition, the Government should consider how far it is desirable that the ownership of land in urban areas should be so widely dispersed with the enormous

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difficulties this creates for town planning and especially for urban renewal. The case for the public ownership of urban land is stronger than the case against it.

In the space of this essay it has been possible to do little more than indicate some of the major issues in the housing field and present some views for consideration. Other issues have been left out. Nothing has been said about the New Towns, for example, or the Housing Corporation and the potential contribution of housing associations, or about greater public participation in the processes of administration and planning, nor has the need to reappraise densities been discussed. These are all highly relevant matters for housing policy and all deserve closer examination than they have been getting from central and local government.

It is easier to pose policy questions than to answer them, and easier to define goals than to attain them. The primary aim of Government housing policy must be to ensure that, having regard to the resources available, the housing programme produces a housing stock that in size, quality and environment matches the needs and expectations of the population. We are a long way from this, and in the nature of things we are never likely to get very close. For needs and expectations are constantly changing, occasionally in surprising directions, and any Government which sets off towards the housing goal finds that it has embarked on an endless journey.

### Notes

1. H.M.S.O., *Old Houses into New Homes*, Cmnd 3602, 1968.
2. *Ibid.*, p. 9.
3. *Ibid.*
4. *Ibid.*
5. P. G. Gray and R. Russell, *The Housing Situation 1960*, Central Office of Information, 1962.
6. H.M.S.O., *Slum Clearance (England and Wales)*, Cmnd 9593, 1955.
7. J. B. Cullingworth, *Housing Needs and Planning Policy*, Routledge and Kegan Paul, 1960.
8. *Hansard*, vol. 637, col. 148, 20 March 1961.

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9. H.M.S.O., *Old Houses into New Homes*, Cmnd 3602, 1968, pp. 1-2 and Appendix.
10. Ibid.
11. Ibid.
12. H.M.S.O., *Report of Committee on Housing in Greater London*, Cmnd 2605, 1965.
13. John Greve, *London's Homeless*, Codicote Press, 1964.
14. H.M.S.O., *Old Houses into New Homes*, Cmnd 3602, 1968.
15. United Nations, *Yearbook of National Accounts Statistics 1968*, U.N., New York, 1969.
16. See R. A. Parker, *The Rents of Council Houses*, Bell, 1967.
17. For discussions of housing allowances see, for example, J. Greve, *The Housing Problem*, Fabian Society, 1961; D. V. Donnison, *The Government of Housing*, Penguin Books 1967; D. A. Nevitt, *Housing, Taxation and Subsidies*, Nelson 1966; R. A. Parker, op. cit.
18. Parker, op. cit., chs. 2 and 3.
19. See, for instance, Sweden: *Memorandum on Some Current Trends and Policies in the Field of Housing and Planning*, Economic Commission for Europe, 1968.

# The Future of Community Development

*Peter Hodge\**

COMMUNITY development has been in vogue in the latter half of the 1960s and has suffered, as most fashions do, from extremes of interpretation and lavish exposition while being attributed with a potential for change which raises expectations that are certain to be disappointed. Confusion about what it is has not promoted caution. On the contrary, uncertainty seems to enhance the supposedly magical promise of community development. The Seebohm Report, for example, confesses in paragraph 151 that the Committee knew comparatively little of what can and what cannot be expected of community development, but they were not deterred from going on to recommend that it should become an important responsibility of the new social service departments of local government. The literature on community development is extensive yet frequently verbose and turgid, and rarely trenchant. Practitioners and exponents tend to be zealots and purists, particularly with their own interpretation of community development. The more successful are indeed rare and gifted persons, singular in dedication. Their common fault is an inability to explain what they do and what are their skills. Knowledge is acquired from them seemingly by osmosis, and competence in practice by the laying-on-of-hands, as it were in apostolic succession, rather than by a planned scheme of training.

For the British this confusion may be partly explained by the fact that community development was an export model, first conceived in the 1920s by colonial officials and educationists to compensate for the shortcomings of the conventional school system in the former British dependent territories, as a vehicle for

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the progressive evolution of the peoples to self-government in the context of economic and social change. Formal education in school had been thought by the missionaries and colonial officials to be the key to general progress until experience taught that to achieve the advancement of the whole community there was needed, in addition to an improved system of schools, improvement in what today would be termed the other nation-building programmes for health, industry, agriculture and civic education. Decades later, now that community development has been found to be relevant to the social situation in the metropolis – the empire and dependent territories having passed into history – the concept has undergone a time- and sea-change.

Confusion about the subject has also been compounded by the tendency for authors of standard texts to recite the many definitions of community development and then to formulate another concoction of their own. More muddle has arisen from the recent use of 'community work' as an umbrella term – dustbin would be the more apt metaphor – to describe a wide spectrum of social and educational work with communities. 'Community work' is a compromise label because practitioners and pedants have been unable to evolve and agree on satisfactory interpretations, valid in British experience, of the better known processes of community development and community organization. And calling down a plague upon both are the activists and conflict-mongers of 'community action'.

What, then, is community development? To answer that question we have to answer another, more fundamental: what is community? It is, of course, all things to all men, since what we perceive to be the community in which we live, and what we enjoy or loathe, is coloured and determined by personal experience and the satisfaction of personal and family needs. A convenient operational definition of community is 'an area of social living marked by some degree of *social coherence*. The bases of community are *locality* and *community sentiment*'.<sup>1</sup> Two dimensions of community are thus comprehended: that of place with its concomitants of geography and spatial extent, varying in scale; and relationships forged from feelings shared and interests held in common, varying also in scale according to degree of

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intensity and level of complexity. Definitions of community are legion and controversy surrounds most. It is sufficient to note here that community cannot be determined only in terms of place and space, for the scope and area of community is dynamic and not static, differing at any given moment according to different members of a family.\*

What people feel about a community determines whether or not it is a community. This is not to deny the importance of the built environment, which can either promote or inhibit the development of appropriate integrating and supporting attitudes and styles of living. It is common knowledge that living in the same neighbourhood – propinquity of residence – does not necessarily promote a feeling of belonging either to a place or to a network of relationships. The measure of a community is that the relationships are reciprocal, ensuring mutual aid and experience of a sense of well-being.<sup>2</sup> Into this area of intangibles – feelings, attitudes, perceptions – the community development worker brings to bear his skills.

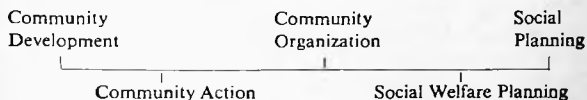
For convenience the agency sponsoring or employing the worker – local government, voluntary organization or church – may define a geographical area for his work but this may not coincide with the boundaries of the community as understood and felt by the community of people with whom he works. In India, for example, the rural block of the community development programme consists of about 100 villages in an area of 150 square miles with a population of about 66,000, each village-level worker having between five to ten villages in his circle of responsibility. In Delhi and Ahmedabad the urban community development projects are based upon a primary unit of 500 people (80 to 100 families), an 'urban village', linked vertically with two other tiers of local development, the ward, and the overall project of about 50,000 people, whereas in Calcutta the projects

\*Thus the physical radius of the community in this sense will generally be shorter for mothers with babies, for small children and for the aged than for the adolescents and young adults of both sexes and for the male head of the family. Both work and special leisure-time interests will enlarge the physical and social range of those more mobile members of the family.' United Nations, *Community Development and Social Welfare in Urban Areas*, p. 22, U.N., Geneva, 1959.

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were based on a project area with a population of 150,000, carefully chosen as being most in sympathy with existing district identities.<sup>3</sup> The new projects in Britain, although determined according to criteria of social deprivation, similarly have demographic dimensions featured in the profile of the project 'community'. The smallest of the planned twelve Home Office projects considered to be viable as a neighbourhood-based experiment will have a population of about 3,000 and the largest, 15,000.<sup>4</sup> It remains to be seen whether the project-areas constitute a community or a congeries of communities. In the Hillfields area of Coventry, with a highly mobile population, the boundaries of the area will be defined in agreement between the city and the Home Office, and the population range between 3,000 and 10,000.<sup>5</sup> The proposed area teams of the Seeborn-recommended area offices will consist of at least 10-12 social workers and serve populations of between 50,000 and 100,000.<sup>6</sup>

If the 'community' of community development eludes precise definition so does the process itself. Placed on a continuum, however, it can better be understood.



COMMUNITY DEVELOPMENT is a *process*\* which aims to achieve change through *consensus*. It is client-centred and based on the self-determined goals of the community groups with which the worker is involved. The worker has an enabling role and brings to bear on the problems requiring solution certain resources: first, his own personality, his skill in creating relationships, and his skill in communication and interpretation; second, his ability to mobilize resources internal to the community -

\* By *process* is meant a change in an attitude of mind, whether personal or collective, that results in a change of behaviour and the pursuit of a course of action hitherto rejected or not understood. Brokensha and Hodge, *Community Development: an Interpretation*, Chandler, San Francisco, 1969, p. 47. See also William W. Biddle and Loureide J. Biddle, *The Community Development Process*, Holt, New York, 1965, pp. 76-9.

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insight, knowledge, time, money and personal service, buildings and equipment – and, where appropriate, resources external to the community. Community development is distinguished by the use of a non-directive approach<sup>7</sup> by the worker and his linking up with autonomous groups of people in the locality, or the bringing of them into life where dormant and inarticulate. The scale of work is local, intimate, face-to-face. The late Ilys Booker often told of her work in North Kensington being confined to an area of half a square-mile. Hence the use of such descriptive terminology in the literature as self-help, self-sustaining local improvement, response to felt-needs, participant-planned change.

COMMUNITY ACTION is a parallel process but uses *conflict* to achieve change. The worker aims to verbalize discontent, articulate grievances, to form a pressure group with which to confront authority in a militant struggle for righting wrongs, gaining power, acquiring new resources and better services or amenities. One aim is to effect a redistribution of power, giving importance, influence and a voice in civic and local affairs to formerly powerless minority and disadvantaged groups. Community action has in Britain sprung from the scandal of housing shortage, racial discrimination and poverty. It is seen to be a healthy counterweight to post-Seeborn monolithic social work departments and the increasing power of professional social workers, planners and local government administrators. Getting the message from across the Atlantic, community action has spawned the embryo welfare rights movement in Britain sired by the Child Poverty Action Group. Community action has straightforward political motives and, for some, is the new non-political politics.<sup>8</sup> It is manifested in the *ad hoc* campaign, the independent lobby, the autonomous community group, operates at various levels with varying degrees of crudity and sophistication, from simple *participation* (the catch-all slogan of 1968) to *consumer syndicalism*, a part of *New Society's* social reform platform.<sup>9</sup>

COMMUNITY ORGANIZATION is the traditional third process of social work (the others being casework and groupwork), expounded especially from North American experience<sup>10</sup> but more recently and usefully, for our purposes in Britain, evolved

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and interpreted afresh by the Dutch in the Netherlands.<sup>11</sup> Community organization suffers from its out-dated stereotype of inter-agency co-ordination and joint-planning and budgeting in social welfare.<sup>12</sup> Its aim, as a United Nations definition states, is to help communities and groups in interaction, whether geographical or functional, to become more aware of and better able to use their own resources to satisfy needs, wants or lacks of which they have become aware, and in so doing to become more confident, more socially responsible, better integrated as a community, less hostile to other groups and increasingly able to work co-operatively with others.<sup>13</sup>

Community organization operates at an agency-to-agency level, in scale is city-wide and beyond (for example, the London Council of Social Service is a community organization agency), and is expressed in interaction between groups of people which is more formal and complex than in community development. Relationships tend to be institutionalized and community organization has a bias towards systems-maintenance, when what is required is the renewal and sensitizing of agency roles and functions and institutional forms.

Each of these three distinctive processes contributes to, and must be set in, the context of social welfare planning and social planning, at the other end of the continuum. International trends in social policy show movement in community development theory to a closer integration with planned socio-economic development. In Britain, the debate over the reform of local government and the search for a meaningful, representative neighbourhood unit as the lowest tier, the reorganization of physical/environmental planning procedures, and the growth in the number of consumer associations and pressure-groups which has shifted the emphasis of voluntary initiative and changed its strategy,<sup>14</sup> have stimulated new interest in work with communities and taken both community development and community organization out of traditional settings into new, where the boundaries are blurred. Hence the continuum.

The Gulbenkian Study Group Report stated that, at whatever level, work with communities is composed of three strands: (1) direct work with local people, (2) facilitating agency and inter-agency co-ordination, sustaining and promoting organized

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groups, (3) analysis, forecasting, community planning and policy formulation. The first strand, working with groups of local people which have come into being because they want to change something or do something that concerns them, is community development.<sup>15</sup> Why so much fuss if that is all? A few young mums getting together to plan and run a pre-school play group! But that is only the tip of the iceberg. What is dynamite is that for the first time in many places ordinary people are being given the chance to show how much responsibility they are prepared to take and how efficient they are at exercising it. Debate rages around such innovation because, to begin with, the process and methods of community development divide opinion among social workers and educationists, two professional groups which have contributed most to the conceptualization of community development. Many social workers trained in casework reserve judgement about it. They are uncertain about its validity when it seems to have no professional boundaries in practice, recognized training or distinct core of knowledge that differs from their own learning of human growth and development. The self-help and self-determination *en masse* appear to knock for six the tenets of confidentiality, and the employment of indigenous leadership and local people as auxiliaries threatens the new professional image of social work, painfully built and won through hard struggle. Community development enthusiasts are suspicious of the manipulative and directive methods attributed to community organizers, and the latter, for their part, find the microcosmic dimensions of community development of limited utility in our complex urban society.

In education it is not necessary to elaborate the division of view over ways and means of meeting the claims of student power for a greater share in planning and conducting teaching, curriculum development, administration and the management of schools and colleges. Administrators and officials are sceptical of the value of popular participation and open communication for 'participation involves doing as well as thinking', and what can laymen do in situations which tax the skill of the experts?<sup>16</sup> Elected local councillors and MPs are equally on the defensive when faced with suggestions for new forms of consultative

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machinery – for example, Skeffington's proposed community forums<sup>17</sup> – and new styles of representation. Many of them are convinced that because they were elected they know what the public wants, but do they know? Only devotees of community action are delighted with community development. They find a theory and an ethos to make respectable their pragmatic and robust attacks on established doctrines, figures and institutions.

The use of 'community' as a prefix to such words as work, development, planning and participation has become habitual in recent months. Many agencies, anxious to refurbish their operations and public image, took up the fad. The Inner London Education Authority, for example, changed the title of their Youth Officers to that of 'Education Community Officers', albeit with a declared intention to alter their role and function and to broaden the Authority's work and grant-aid programme in the youth and adult education services to include a clearer community focus so that initiative for self-help and involvement in the community might be assisted.<sup>18</sup> The reality of such changed emphasis depends on certain calculated risks: the training and re-training of staff, at least the acquiescence of the earlier vested interests, and a favourable financial climate so that an increase of grants for general community work might be made 'without detriment to the present scale of provision for young people'.\* The number of posts in the social services, in particular, advertised in appointments columns, bearing all manner of 'community' functions,<sup>19</sup> has been further evidence of getting up-to-date with fashion – "communities" are in this year' noted *New Society* in January 1969.<sup>20</sup> Old hands who have sweated unsung and underpaid for many years must be forgiven a wry smile over the enthusiasm and hyperbole. The tangle of notions, theories, facts, experiments, thrown into the 'community' dust-bin contains an element of sense and accurate response to current needs. It is absurd to lump them all together, however, as community development, whatever the popular sociologists of the mass media opine. There is something breathless about the hopes

\* Some description of the posts advertised at the beginning of this trend are given in Appendix C, Gulbenkian Report, *Community Work and Social Change, a Report on Training*, Longmans, London, 1968, pp. 163–6.

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of established organizations transforming stale practice into new success with a face-lift, and more resources of money and manpower. American experience has proved this to be an illusion.<sup>21</sup> The method and process of community development is being arbitrarily applied with insufficient care and thought about the consequences to a number of situations, for example:

helping people to settle into, and make a satisfying community life in new housing estates, new towns, and to cope with the upheaval of expanded towns and re-development (Cullingworth Report on The Needs of New Communities);

helping people to relate the school with the community in terms having meaning for school-children, parents and teachers, and for education as a whole (Plowden Report on Children and their Primary Schools);

helping people to brighten-up and improve their homes in the old areas of our cities, and to build further on a rich sense of community (The Deepish Study, Rochdale);

the renewal of local government at the grass-roots level of the neighbourhood – the notion of an 'urban secular parish';

the involvement of citizens in physical planning procedures (Skeffington Report on Public Participation in Planning);

the decentralizing and humanizing of personal social services through proximity of contact, local consumer consultation;

the mobilization of voluntary help by residents, indigenous to the community, and outsiders for local manifestations of community care;

the improvement of community relations between various ethnic groups;

the organisation of self-help in a variety of ways to augment statutory and voluntary agency resources in the social services.

Community development may not be directly associated with all these possible courses of action but a general assumption is made that it is relevant. A few experimental beginnings were made in these contexts by the appointment of a social worker or educationist single-handed – for example, the one, lonely community relations officer in a borough – with an impossible brief. Soon enough the concept of a team of workers came to be accepted as the more efficient strategy with less ambitious programmes to meet. The team concept happens to have been applied decades ago overseas, in former British African dependencies and in India, based on the American rural extension services pattern.



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Similarly, overseas experience demonstrated the need of a holistic approach for community development programmes to meet the many problems of poverty and underdevelopment. To suggest that overseas experience in both urban and rural settings for community development has something to teach us in Britain is usually dismissed as nonsense. In fact British projects are not new in concept or structure; they are original only in that their setting is peculiar to our indigenous culture and vernaculars.\*

The Home Office projects† – four were announced in mid 1969 for Coventry, Glamorganshire, Liverpool and Southwark (London) – propose the setting-up of local inter-service teams led by a project director with one or two assistants. The team will consist of social workers, seconded part-time from their own services in the area (child care, health and welfare, probation, housing) and others from education, the police, social security and the employment services. It is anticipated that some voluntary agencies, prepared to contribute money and personnel to the projects, will also second workers. Each team will be closely associated with a local university research team. This Home Office model, able to call upon greater resources than any comparable experiment so far, is intended to influence the shape of future policy, especially for preventive social provision. There is a chance that a team of specialists, each possessing distinct skills, under the direction of a keen innovator, will be able to make some impact upon the multi-faceted problems of the project areas of 'high social need'. The team will have to stimulate community groups and ordinary citizens to work together and will need to play several roles for the community – interpreter, enabler, advocate and broker. Their job is to find new ways of meeting the needs of

\*The force of this argument is demonstrated by the relevance of case-studies of failure of methods, perception and approach in community development – drawn from overseas experience – published by the Battens and used successfully as teaching-aids for British students. See T. R. Batten with Madge Batten, *The Human Factor in Community Work*, Oxford University Press, London, 1965.

†So-called although the Departments of Health and Social Security, of Education and Science, of Employment and Productivity and the Ministry of Housing and Local Government are also involved.

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the people living in the project areas 'by bringing together the work of all the social services' (under the team's leadership) and also by 'tapping resources of self-help and mutual help'.<sup>22</sup> Evaluation will be concurrent and success will be measured by the reduction of the dependence of families, with multi-problems, on the more difficult and costly forms of help, such as taking children into care, offering psychiatric treatment and providing prolonged supplementary benefit.

What of the future? In the 1970s it is likely that Government-supported community development will be located in priority areas of deprivation. It remains to be seen if the scale of support represents a really new strategy, the pouring in of 'massive' resources, or simply a redeployment for political reasons of existing resources. One critic thinks this is already the case,\* although official handouts speak in ambivalent terms of additional resources of money and manpower while mentioning only some additional machinery, presumably the extra two members of staff working full-time in the area. There is a hint of extra facilities and services, if the need for them is established by the project teams in each area, being included in the aid towards deprived urban areas programme.<sup>23</sup> Some of the community development projects will be coterminous with the Plowden 'educational priority areas', and the areas of bad housing which the Milner Holland Report proposed should be designated areas of special control, also termed 'areas of special housing need' by the National Committee for Commonwealth Immigrants.<sup>24</sup> The same are the 'social development areas' noted in the Seeborn Report. Should all these suggested areas gain priority recognition and extra resources, then in the aggregate a new strategy will have something approaching maximum impact. However, community

\*Robert Holman, 'The Wrong Poverty Programme', *New Society*, 20 March 1969. Holman points to the policy of allocating funds to cooperative local authorities only, and selecting areas for projects which – from signs at that time – have powerful political representation. He wants money and help given to places where local government may not be cooperative, and where the established order of voluntary-statutory partnership is rejected by go-it-alone community action workers. His suggestions challenge the whole assumption of Home Office planning, working through institutionalized local government.

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development is applicable to areas other than those with marked social deprivation and this should not be forgotten.

The use of a co-ordinated approach through inter-service teams raises some important questions. Who will do the co-ordinating? What professional school of thought and practice – social work, adult education, community planning – will provide the directors of projects? From what base will the teams operate? What strategy will be used within the project? How far will the local people be involved in the process, the theory being that they will be involved at every level? A criticism of the Home Office projects is that client representation has not been as strongly built-in to the proposals as has research, and that the involvement of the local people on the planned local steering groups to guide project staff and shape programmes is not provided for. Even when it is, and that day cannot be far distant, who can truly be representatives? Many ordinary people are inhibited by the thought of serving on committees. Carefully thought-out and sensitive forms of consultation will have to be devised.

The contributions of different professional groups can be tested by varying the leadership in the eventual twelve projects; some might be predominantly social worker directed, others by educationists, others by planners from a variety of disciplines and backgrounds. Opportunity must be made for a project or two to be directed by community action exponents, using the conflict model. Assessment of each, having first established some criteria of success in community development, will have much to teach about the effectiveness of each school of practice in evoking response. This will also enable a variety of bases of operation for each project to be tried out; a school, settlement, adventure playground, family advice centre, a post-Seeborn type area office, an *ad hoc* community centre for a local community council or community forum, a church, a neighbourhood unit of a council of social service.\*

The entire experiment will hinge on the personnel selected,

\*An example of worthwhile experiment would be to associate a project base with the complex of community services planned to be housed under the spans of the elevated motor-way in North Kensington. Notting Hill Social Council/Motorway Development Trust, 1968.

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recruited and seconded for the project teams. It is to be hoped that the social services will not off-load their unwanted problem staff on the project team, a practice not unknown. The training of new workers, and the re-training of those in post, will place demands on the training institutions, universities, polytechnics and colleges, which the implementation of the Gulbenkian Report on *Community Work and Social Change* may help to satisfy. The great divide in approach, reflected in personnel, is between the consensus and conflict models. Each attracts personalities and corresponding motivations which will critically shape community development in the field. Social workers of the consensus tradition have been pilloried, on occasion with good reason, for their gradualism. The self-awareness which their training should inculcate, however it may be atrophied by employment in bureaucratic services thereafter, will save them from the greater errors of the more arrogant, thrustful and aggressive conflict-mongers, expert at sowing dissension and demolishing structures but not so good at picking up the bits again, putting them together, and healing the wounds. Young people appear to have more success in this genre,\* turning initial adverse reaction to constructive cooperation, than their embittered elders unable to escape from prepared barricades. Eschewing American models, conflict theory and method for community development in Britain require careful study and documentation for the use of our training courses and schools of social work. This may be possible when community work ceases to be the latest gimmick, as much of it has been reduced to, and careful scrutiny can be given to field projects fully recorded and professionally supervised.†

\* 'Established authority and the young clash on community service - a youthful hand helps the elderly in need', Pat Healy, *The Times*, 23 September 1969.

† The professional standards referred to belong to a style of work, now demonstrated as possible, drawing guidance and criteria from a number of disciplines - social work, applied anthropology, sociology, management studies - and well recorded. See, for example, George W. Goetschius and M. Joan Tash, *Working with Unattached Youth*, Routledge and Kegan Paul, London, 1967; George W. Goetschius, *Working with Community Groups*, Routledge and Kegan Paul, London, 1969; M. Joan Tash, *Supervision in Youth Work*, N.C.S.S., London, 1967.

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Differences of view will persist, over definitions, over interpretations in text-books, over methods. It is too soon to expect a core of discipline, a body of recognizable knowledge and a standard of practice which can serve as the hall-mark of a profession. Who wants a professional community development worker, anyhow? Good question. It may be another case of being better to travel than to arrive. And to travel light.

### Notes

1. MacIver and Page quoted by Ronald Frankenberg, *Communities in Britain*, Pelican Books, 1966, p. 15.
2. *Report of the Committee on Local Authority and Allied Personal Social Services*, Cmnd 3703, 1968, para. 476.
3. For a summary of community development method and strategy overseas see David Brokensha and Peter Hodge, *Community Development: an Interpretation*, Chandler, San Francisco, 1969, ch. 3.
4. Home Office, London, S.W.1., Press Notice, 16 July 1969.
5. *Job Specification for Appointment of Community Worker*, Coventry Council of Churches, Community Relations Council, and Council of Social Service, May 1969.
6. Seebohm Report, para. 590, p. 183.
7. T. R. Batten with Madge Batten, *The Non-Directive Approach in Group and Community Work*, Oxford University Press, 1967.
8. Anne Lapping, 'Social Action', *New Society*, 2 January 1969.
9. Paul Barker *et al.*, 'Social Reform in the Centrifugal Society', *New Society*, 11 September 1969.
10. Murray G. Ross with B. W. Lapping, *Community Organization*, Harper and Row, 1967.
11. Dr G. Hendriks, *Community Organization*, Ministry for Social Work in the Netherlands, 1964.
12. For example, 'the process of bringing about and maintaining a progressively more effective adjustment between social welfare resources and social welfare needs within a geographical area or functional field.' Quoted from *The Social Work Year Book*, U.S.A., 1951, by George F. Thomason, *The Professional Approach to Community Work*, Sands and Co. Ltd, 1969, p. 12.
13. United Nations, *Training for Social Work: Third International Survey*, 1958, ch. 11, p. 242.
14. Maurice Broady, 'Community Power and Voluntary Initiative'

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ch. 3 in *Planning for People*, The Bedford Square Press, N.C.S.S., London, 1968.

15. The Calouste Gulbenkian Foundation, *Community Work and Social Change, a Report on Training*, Longmans, London, 1968, p. 35.

16. *Report of the Committee on Public Participation in Planning*, H.M.S.O., 1969, p. 1.

17. *Ibid.*, para. 60, p. 13.

18. The *Evening Standard*, London, 14 July 1969, 'ILEA's "bridge between generations" - Joint youth-adult centres plan'.

19. ILEA, Review of Youth and Adult Services, undated, para. 28, p. 8.

20. Anne Lapping, 'Social Action', *New Society*, 2 January 1969.

21. Peter Marris and Martin Rein, *Dilemmas of Social Reform*, Routledge and Kegan Paul, London, 1967; and Ben Whitaker, 'Participation and Poverty', *Fabian Research Series Pamphlet 272*, London, 1968.

22. Home Office, London, S.W.1., Press Notice, 16 July 1969.

23. Home Office Press Notices, 30 June 1969 and 16 July 1969.

24. *Report of the Committee on Housing in Greater London*, 1965, p. 228; *Areas of Special Housing Need*, National Committee for Commonwealth Immigrants, May 1967 (5).

# Education as a Social Service

*Eric E. Robinson\**

THERE is a remarkable national consensus about the general direction of policy for schools. The development of a comprehensive system of publicly controlled primary and secondary schools is a commonly agreed objective, from the pursuit of which the concern of some people with the preservation of a private sector of education is only a minor distraction. Even the most enthusiastic partisans of the private sector are merely its defenders – they do not advocate winding down the public sector or the overt re-establishment of a class system of school education. The Tory critics of comprehensive reform generally acknowledge the desirability of raising the standards of provision for all children of secondary age; their opposition to the Government's policies is voiced in terms of tactics and strategies rather than objectives.

There is correspondingly a distinct lack of controversy about the content of school education and about the organization of schools. Even the very modest proposals for limitation of the autocratic powers of head teachers now being advanced by middle-class pressure groups such as the committees for the advancement of state education are attracting no significant political support. In such matters as compulsory religious education, corporal punishment and the participation of teachers in school government the whole teaching profession, left and right, seems effectively united in a conservative policy. There is no significant group of people who now advocate that in the schools one group of children should have academic education and another group vocational education. The left wing does not condemn schooling as the suppression or brain-washing of working-class children in the interests of capitalism; despite the

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great freedom of head teachers to determine the school curriculum and teaching methods these do not seem to vary greatly with the political views of the heads.

The provision of education for children is little more controversial than the provision of school meals; the main argument is about how much we can afford, how fast we can go.

School education is generally regarded as it was thirty and forty years ago by the mild progressives – as a social service in the old, mainly materialist, sense. Although lip-service is sometimes paid to it, the idea of education as an integral part of the economic machine is not discernible in our policies for the schools. The best evidence of this is that although during the past five years great attention has been paid to the training of teachers the emphasis has been almost entirely on the number of teachers, rather than on their quality or their type. We are concerned to have children well looked after in pleasant surroundings; we are much less concerned about what we teach them. One might have thought that the huge project of comprehensive secondary reform would have demanded a major review of the education and training of secondary school teachers; but there has been no sign of this. Had there been any serious concern with the economic (i.e. vocational) aspects of secondary education this would have produced panic measures to improve the supply and quality of science and mathematics teachers in secondary schools. But nothing has been done and, slowly as the building of new secondary schools is progressing, it is much quicker than the provision of teachers to make comprehensive education a reality.

It is only when we turn to post-school education that we find really fundamental divisions of thinking; divisions of thinking about what education is about, what it is for and what the priorities should be. And most of this thinking is in a primitive state of development – most of its assumptions are implicit and most participants are ill-informed about the situation as a whole. Post-school education is rapidly changing, highly fragmented and rigidly compartmentalized. Most of it takes place outside the universities – in colleges of education, technical colleges, evening institutes and factories – and much of it is little known even to the leading academic authorities on education. And ignorance



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is not all on one side. Many technical college teachers and teachers in colleges of education have not been university students and have never seen the inside of a university common room or library.

During recent years education has become a popular field for research in the universities but this research has rarely crossed the sector lines in higher education and there is remarkably little published research about the British further education system. The dearth of information and knowledge about the situation is inevitably associated with a lack of deep thought about its problems.

The idea of education as a social service is not dominant in our thinking about post-school education. The 1944 Education Act envisaged the development of county colleges providing part-time education for all young people up to the age of 18 – a continuation beyond school of the ideals of school education to which I have already referred – but the idea was still-born; the county colleges, with a small number of exceptions, have not developed and most young people do not get day-release education when they start work. A social service approach to post-school education surely implies the provision of education for those who most need it or those who can best benefit from it. This quite clearly is not the basis of our development of post-school education.

The universities select their students and there has recently been much discussion of the methods of selection. As far as I know all these discussions presume that the universities select the students most likely to succeed academically or the students most likely to benefit the university. Nowhere have I heard it stated that a university or university department should select those it can help most. Colleges of education and some departments of some technical colleges also select their students and generally do so, without question, on the basis of taking those most likely to succeed, not those most in need of education.

This contrasts strangely with the ideal of liberal education – of education for its own sake – which is widely advocated and defended by teachers in higher education. The criterion of 'most likely to succeed' seems to be consistent with the vocational,

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economic idea of education rather than the liberal, social service idea. Paradoxically it is the technical college sector, which is vocationally biased, that provides a service available to all and the university sector, generally perceived as liberally biased, that is highly selective (ostensibly selection is academic but effectively it is social).

We provide full-time education beyond school for the 'very good' in universities and colleges, and the 'very bad' in prisons, borstals and mental hospitals. For the majority in between, ranging from the fairly good to the fairly bad, we provide a little part-time education or nothing at all. If we think of education as a social service what are we to make of this?

If there is a rational justification for our present provision of post-school education it must be sought through the idea of education as an investment to support the economy. Conventionally this is done in a rough and ready fashion as follows.

We need, it is argued, a liberally educated élite. These are the people who are educated by total immersion in the residential university community. The academic subjects they read are of secondary importance; the essence of this education is contact with first-class minds inside and outside the lecture halls. Attitude, adaptability, self-confidence and sociability are primary objectives of the education; specific skills and techniques are secondary. The graduate, archetypically the Oxbridge graduate in history or classics, is judged to be the ideal senior civil servant, headmaster, manager or politician, without further training. With a modicum of training after graduation he can become a leading churchman, lawyer, accountant or soldier. The constitution of the inner Cabinet of Wilson's Government is perhaps the peak of achievement of this liberally educated meritocracy. Baldwin is remembered for his remark about a Cabinet of which Harrow could be proud. Equally memorable should be the remark of a Minister who recently emerged from a Cabinet committee meeting proudly commenting that every one of its members had a First Class Oxbridge degree.

One of the pre-occupations of the plate-glass universities is to break into this circle – something which the civic universities have notably failed to do. Many redbrick history graduates find them-

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selves in school teaching rather than the corridors of power.

Next in status and power derived from the educational system are the technocrats – those whose technical education is judged to be worthy of location in universities, alongside the liberal élite. Doctors and dentists are in; nurses are out. Electrical engineers are in; production engineers are out. Grammar school teachers are in; other school teachers are out. Civil engineers and architects are in; builders and surveyors are out. There is a huge struggle by many professions now on the fringe of, or partly in, the universities which are trying to get completely in and thereby raise their status. The teaching profession is frantically struggling to get the colleges of education into the universities. The architects and engineers are trying to close entry into the profession by part-time education. Accountants are planning to follow suit.

The next in line are technicians who are educated outside the universities – in the colleges, the polytechnics and monotronics. The teachers' training colleges are the largest group of monotronics.

Other vocational education carried out mainly in monotronic institutions includes the education of soldiers, sailors, policemen and nurses, often in institutions outside the ambit of the Department of Education and Science. The technical colleges are mostly polytechnic in character and cater for the vocational education of not only the 'spanner men' but also the 'technicians' of almost every sphere of industry, business and the public service – librarians, secretaries, social workers, administrators, foremen, accountants and many others.

The range of technicians educated and trained in these vocational colleges is very wide academically and one notable feature of the system is the status struggle between colleges, with the more advanced work at a premium and the more elementary at a discount. The technical colleges collect the overflow of the rest of the education system.

Clearly the allocation of courses and students between the colleges and the universities is of great importance socially and economically. The future of the professions and the structure of their ancillary staffs; the duration of education for the professions and trades; the priorities in allocation of resources to colleges and

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universities; the priorities as between courses for full-time students and part-time students, courses for technologists and technicians; the courses for which students are given grants and the courses for which no grants are given – all these matters are of vital importance for any policy for the provision of skilled manpower and womanpower. There is no coherent national policy on any of them and nobody is giving serious thought to the formulation of such an overall policy.

Rapidly increasing numbers of young people are being prepared through G.C.E. examinations for post-school education which is not available for them. Most secondary schools are unaware of and uninterested in the professional and technical education which awaits their pupils. The secondary school curriculum is generally based on the absurd assumption that all pupils should struggle for university entry although it is inevitable that most of them will fail. The Schools Council is working hard on the reform of the school curriculum with negligible participation of representatives of the professions, industry or the vocational colleges. The Dainton Report, the Swann Report and the Fulton Report were written as though the technical colleges did not exist, although it is certain that in the future most scientists, technologists, technicians and civil servants will get their post-school education in the technical colleges – or get none at all.

We have a valuable tradition of asking leading academics to make detailed studies of problems of national policy. We assume that they will bring to the problems an objective and dispassionate approach and frequently this assumption is justified. But when we ask them to do this in an investigation into their own field – higher education – we are asking the impossible. This was the folly of the appointment of the Robbins Committee whose report has so distorted and inhibited our thinking about post-school education in recent years.

This Committee was entirely concerned with and limited by its terms of reference to the education of an élite. Its inquiry was followed by no study of the post-school education of the majority of the population, and the acceptance of its main recommendations by the Government was followed by a shift of emphasis towards élite education and away from mass education. That this

should have happened at the same time as a drift by consensus towards comprehensive secondary education is almost beyond belief.

The main public controversy about post-school education since Robbins reported in 1963 has been not about the relative importance of élite education and mass education but about who should be in the élite sector and who should be out.

The Robbins Committee recommended two Ministries of Education, one of which would control élite post-school education (higher education) and the other would control school education and majority post-school education (further education). It wanted the colleges of education associated with the universities in higher education (teachers were to be 'in') and the technical colleges (other than possibly a small élite group) associated with the schools in further education. The Government decided to have one Ministry and to draw the line between the élite and the majority in a different place – in particular teachers were to remain 'out'. Lord Robbins has repeatedly criticized the Government's 'binary' policy which defined this line (see, for example, *The Guardian*, 20 November, 1968) without defending his own 'binary' proposal.

Nothing illustrates the myopia of the academics on post-school education better than their reaction to the Government's binary policy. When Crosland took the politically inevitable step of calling a halt to the drift of élite technical colleges into the university sector he was assailed from both left and right, not least from the extreme left in the universities, for pursuing a divisive policy on higher education. In the name of socialism, of egalitarianism, of democracy and of academic standards Crosland was attacked for refusing to establish within the university sector a unitary system of higher education. Leading the attack, in *Universities Quarterly* and the *New Statesman* (neither of which was willing to give reasonable opportunity for a reply), were Lord Robbins himself and Professor Boris Ford. Every one of the attacks betrayed no awareness of the significance – educational, social or economic – of unifying higher education at the expense of its detachment from further education; of unifying full-time higher education at the cost of detaching it from part-time

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higher education; of unifying professional education at the cost of separating it institutionally from the education of sub-professionals. When I published an article in *Education* defending Crosland's policy of retaining degree courses and students in colleges alongside diploma and certificate courses and students, defending a policy of education of professionals alongside technicians, clerks and craftsmen, one of Crosland's left-wing critics wrote a letter complaining that I did not understand that he and his colleagues were concerned with the unification of the education of the teaching profession.

None of Crosland's leading critics, so far as I am aware, has published any substantial comment on the educational significance of the 1964 Industrial Training Act which defined for the middle-ability group a policy for post-school education of a completely different kind from that set out in the 1964 White Paper (implementing the Robbins recommendations) for the higher education of the élite.

Assuming that post-school education is a chaotic mess, we clearly have a difficult problem in deciding a strategy for reform even if we can agree an ultimate objective. The only long-term proposals for a system of tertiary education have come from the right, generally from people who have no faith in the comprehensive reform of secondary education. It is perfectly consistent for a defender of the public school, grammar school, modern school system of secondary education to look forward to the indefinite continuation of a segregated system of post-school education – of autonomous universities, non-autonomous colleges and industrial training centres. But what consistency is there in the position of the liberal or socialist who insists on the comprehensive school followed by a segregated post-school system? Is the great ideal of comprehensive reform nothing more than the postponement of selection from 11 to 16? Why is it so respectable in progressive circles to advocate the demise of the grammar school and the public school but so unspeakable to look forward to the disappearance of the university? When I have succeeded in having this possibility seriously discussed I have been reminded that the research, the autonomy and the academic freedom of the universities are not to be despised and that for all their faults the

universities are from many points of view much better educational institutions than the colleges. And of course this is true. It is important for the reformers to abolish the grammar schools but it is even more important to abolish the modern schools. In exploring the possibility of reform in higher education we must review our idea of a university, but it is even more important that we look forward to the disappearance of the teachers training colleges, the technical colleges and the nurses training schools as we have known them. The ostensibly academic distinction between higher education and further education is effectively a social one, just as the old distinction between elementary and secondary was social. The danger of the idea of a unitary system of higher education [*sic*] is that the reform of the colleges will not be extended beyond a select group of them and this of course is the danger of selecting the new polytechnics from the mass of technical colleges.

It may be that when we seriously look at this problem, as few of us have yet been prepared to do, we will decide that selection and segregation are inevitable and right. Indeed I am sure that in some form we will find it to be so. Then our findings on this must surely influence our thinking about secondary education.

Perhaps even more surprising than the general reluctance to devise a long-term objective in the structure of post-school education is the general determination to take up attitudes based on simple principles rather than to consider the problem in terms of either its immediate educational consequences or in terms of political strategies. Crosland's binary policy is defensible on both grounds but it has had little serious discussion on either. Teachers in colleges of education complained bitterly when the colleges of advanced technology (as they saw them) came from behind and overtook them in the race for university status. For some time it has been clear that the leading technical colleges (now becoming polytechnics) derived from the Robbins Report enormous educational advantages over the colleges of education, notably in their access to the Council for National Academic Awards which permits much greater freedom of development for its B.A. and B.Sc. degrees than is available to the colleges of education in developing B.Ed. degrees of the universities. Despite this the teachers in

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the colleges of education have been almost unanimous that in pursuit of the unattainable ideal of incorporation into the universities their educational development must be sacrificed in the short-term. The *cause célèbre* of the binary policy was Crosland's decision not to permit the incorporation of Lancaster College of Technology into the University of Warwick. But it is unlikely that the outstanding new educational work done by this college since 1964 would have taken place within the university.

On the matter of political strategy there has been little comment. Who has described the predicament that faced Crosland in 1965? If he had handed the colleges of education over to the universities what would he expect to happen? Would they have become integral parts of the universities with students and staff accepted as full members of the universities? Would the University of London have accepted happily 40 new colleges into full membership? Would the universities have kept the colleges to the austere work of producing teachers cheaply? Or would they have given them freedom to do other things and would they have brought them up to university standards of staffing, equipment, libraries and so on? And how many technical colleges should Crosland have transferred into the university sector? Which colleges and which students? There is a serious argument that even if Crosland's objective was the comprehensive reform of tertiary education he should use his binary policy as a strategy to this end. He certainly left this interpretation open in his Lancaster speech.\* This was the speech he made when he had made himself fully conversant with the problems. But this is not the speech that is discussed and attacked. The defenders of the academic *status quo* choose the easier target – the Woolwich speech made very soon after Crosland assumed office and found himself confronted with the necessity of immediate decisions on Coventry, Chelsea, Brighton and several other colleges.

\*The text of this speech is reproduced as an appendix to my book, *The New Polytechnics*, Cornmarket Press, 1968.



### CONCLUSION

The failure of the Government's post-school education policy – and it certainly has failed, because further education is now being gleefully savaged by Tory councillors whose idea of further education is 'short back and sides' – is the responsibility of the Government's sympathizers among the academics as much as it is due to Ministers. This was and is the field of education in which the Labour Government could make a major and distinctive contribution to educational reform – a much greater impact than on secondary education is possible here. But instead of a fundamental review of priorities we have had the irrelevancy of the Open University\* and a firm reassertion of the idea that only the élite really need education for work; for the mass we need only education for leisure.

The re-examination of this proposition is most fundamental of all, not only for education but for many of the social services. In the society of 2000 will the majority of the population work only a few hours a week and spend most of their time at leisure? Or will the really privileged be those who work a normal week and the underprivileged be those who are unemployable because they are undereducated? Our answer to these questions should be the starting point of a new review of educational priorities.

\*Since I wrote this the Open University has been 'closed'. Jennie Lee's original idea of enrolling all-comers has been replaced by selection on the basis of academic attainment and vocational need. The Open University will be almost as middle class as the others.

## Public Involvement in Planning

*Derek Senior\**

THE 1947 Town and Country Planning Act was intended to promote the positive guidance of development. It failed to do so, not only because its provisions for the nationalization of development values were scrapped, and with them the machinery for securing development in accordance with the plan, but even more because the development plan itself proved inapt to the changing conditions of the 1950s. An upturning birth rate, soaring car ownership and the second industrial revolution demanded a new kind of plan for the accommodation of a more dynamic society's more widely ranging social and economic activities. The existing development plans, covering only the urbanized areas of county boroughs or the rural and suburban areas of administrative counties, combined emptily platitudinous 'policy' statements with an unrealistically precise definition of land uses that was out of date before it could be approved. In consequence, planning degenerated into a merely negative and largely ineffective attempt to control the mounting pressures for development by rule of thumb. As a means of restructuring our environment it virtually broke down.

The Planning Advisory Group, set up by the Minister to prescribe a remedy, proposed a more flexible but more purposeful type of 'structure plan' dealing with means of transport and investment as well as with land use, illustrated by diagrammatic representations of functional relationships instead of Ordnance-based maps, and supplemented by detailed 'local plans' for areas subject to early development. The Group insisted on the need to involve the public in the decision-making process, both at policy

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and at design-planning level. It also recognized the necessity for development planning to be sub-regional in geographical scope, but balked at following through with a recommendation that the structure of local government be reorganized to make this possible.

It was nevertheless to this end that the government nerved itself to set up Royal Commissions on local government in England and Scotland. Reform was needed, in all conscience, for other purposes too; but its political risks would never have been taken if it had not been indispensable to any reactivation of the planning system. And it was in anticipation of the outcome of local government reform that the 1968 Planning Act was passed. This measure provided for the making of PAG-type development plans, but only where and when there were local authorities (or groups of authorities) competent to make them. It also provided that local planning authorities must give adequate publicity both to their reports of survey and to the matters they proposed to include in the plan, adequate opportunity for the making of representations and adequate consideration to any representations made, before finally determining the content of the plan. Otherwise the Minister might withhold approval. It was to advise on methods of implementing these provisions for public participation in the formative stage of plan-making that a committee chaired by Arthur Skeffington, Parliamentary Secretary to the Ministry of Housing and Local Government, was set up in March 1968.

Unfortunately the reports of the two Royal Commissions on local government were not published before the Skeffington Committee had finished its work, and the Commissions were prevented from taking the Committee into their confidence by the hoary conventions that govern the proceedings of such bodies. The Skeffington Committee had therefore to base its proposals on the existing structure of local government – the very structure that was inhibiting the kind of plan-making to which its proposals were related. Inevitably, some of them were designed to compensate, as far as possible, for defects inherent in that structure. To be fair, one should judge these proposals only in that context, and try to envisage the application of their underlying principles to the very different situation likely to be created by legislation

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resulting from the Royal Commission reports. Even so, the Skeffington Report remains open to criticism on two main grounds: that it fails (as indeed does the 1968 Planning Act) to make a proper distinction between two quite different kinds of public involvement in the plan-making process, namely participation and public relations; and that it also fails to appreciate all the implications for public involvement of the differences between 'structure' and 'local' plans.

The Report starts promisingly enough by emphasizing that publicity – the making available of factual information, explanation and argument – is only the first essential step towards participation, which is properly defined as the act of sharing in the formulation of policies and proposals without detracting from the local authority's responsibility for preparing the plan or from its professional staff's responsibility for putting its proposals into statutory form. It goes on to recognize that people have a right 'to be able to say what kind of community they want' and to 'influence its shape' – the more so because some of them are bound to be hurt, no matter what shape it eventually takes. The Report also points out the futility of publicizing a plan only when it is so nearly cut and dried that its authors are deeply and defensively committed to it, and it draws attention to the benefits that more enlightened authorities have reaped, in terms of diminished opposition at the formal public inquiry stage, from consulting public opinion while the options were still open. It offers a great deal of sound practical advice on the techniques of publicity and on what is required of the various parties involved. Yet when it gets down to the application of its principles and techniques at successive stages in the plan-making process, it plumps for the final 'statement of preferred proposals', and not for the preceding stage of 'identification of choices available', as 'the main occasion of public participation'.

The Committee is, of course, entirely right in holding that no participation is possible (but full publicity is necessary) at the two earlier stages – the announcement that a plan is to be prepared and the completion of the initial surveys. It is no use calling on the general public at the outset to select from and list in order of preference a series of abstract goals, such as privacy, urbanity,

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road safety and the like. Nor can any useful purpose be served by asking people to choose between general policies, such as low density, low rents, tree preservation and traffic segregation. Participation must wait until the experts have assessed the needs to be accommodated, ascertained the operative constraints, worked out feasible alternative ways of meeting the needs within the constraints, expressed them in the form of broad-brush conceptual plans *and clearly explained what each alternative implies in terms of the subordination of one possible objective to another*. It is only in commenting on the relative merits of these available options in the light of such an explanation that the ordinary citizen can meaningfully voice his feelings about the kind of community he wants to live in; and it is only the ordinary citizen that has a right to make the value judgements involved.

It is then for the planning authority to formulate a coherent set of policy decisions conforming with these value judgements, and for its professional experts to work out, in the light of further researches, the structure map that most economically, conveniently and agreeably gives effect to these policy decisions. The presentation of the resulting statement of preferred proposals must, indeed, be the occasion for public *involvement* on a grand scale, in order to enlist the informed and active support of the public for what can truly be represented as in some sense their own plan. But this is essentially an exercise in public relations. It cannot honestly be pretended at this stage that any material changes can still be made in the concept of the plan, though critical comments may still be honestly welcomed for their bearing on the future preparation of local design plans.

Unlike the structure plan, local design plans will be mapped on an Ordnance base, so that property owners can see how their interests will be affected and developers can see where their opportunities lie. But the inevitable effect of this essential difference on the nature of any public participation in the making of a local plan is almost entirely ignored by the Skeffington Committee. It identifies the same four occasions for intensive publicity – the decision to make a local plan, the collection of survey data, the exposition of the policy choices left open by the survey findings and the operative constraints (including the structure

plan), and finally the statement of preferred proposals. And again it asserts that the exposition of policy options 'is not the major occasion for public participation', but that 'the key document in the participation process' is that which identifies the planning authority's preferred solution. It even adds that 'the publication of a series of alternative courses without an indication of a preferred course might confuse the public', and lamely suggests that if the document stating which solution is preferred, and why, is clearly marked 'for discussion' the danger of giving the impression that the options are not still open will be averted.

My criticism of the Skeffington procedure applies with much greater force in the context of the local plan. It is only by comparing the clearly explained implications of alternative solutions that the layman can effectively exercise his right to influence the making of policy choices, and unless he is given this opportunity before the planning authority has decided which solution it prefers he will rightly feel that he is not being allowed to participate. But whereas the form of the structure map virtually confines him to the making of disinterested value judgements on issues of public policy affecting the character of his environment as a whole, the form of the local plan invites him to consult his own private and sectional interests, and he will accordingly be more resentful of any indication that the die is cast.

That participation at this level is bound to be self-interested does not make it undesirable. If a new road must either displace a hundred owner-occupiers or destroy a valued public amenity, the planning authority should put itself in a position to gauge the relative strength of interested opposition to each alternative before taking a final decision. But if it presents the alternatives without prejudice (and shows itself willing to make liberal use of its discretionary powers to buy indirectly affected properties), the protests of interested parties may well be outnumbered by expressions of positive support for one or other alternative – or positive suggestions for improvement – based on genuine concern for the quality of the local environment. If, on the other hand, 'the first document to show the local community in detail how they would be affected' expresses the planning authority's own preference, the only comments it is likely to get will be self-interested objec-

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tions which it may reasonably feel obliged to disregard as such. And the public relations job of 'selling' the completed plan – a necessary job in any event – will be very much more difficult if, in consequence, the local planning authority cannot claim any positive public backing for its final decisions.

Many planners object to the procedures recommended by the Skeffington Committee on the ground that the publication of a statement of preferred proposals which are nevertheless subject to amendment (as they must be if public participation at this stage is to have any meaning at all) will cause needlessly widespread 'planning blight' and thereby greatly aggravate the most serious cause of public hostility towards the plan-makers. The Skeffington Committee recognizes this problem, but says 'we can do little more than draw attention to it', expressing the pious hope that 'planning authorities will take great care to avoid unnecessary blight on properties or anxiety to those who may be affected'. This they might do by illustrating only the road lines they prefer; but that, of course, is no solution unless the authorities are prepared to stick to these lines regardless. The Committee therefore concludes that 'some increase in planning blight may have to be accepted if there is to be increased participation by the public'. But the *intensity* of planning blight is proportional to the firmness of the planning proposal: if all feasible road lines were illustrated at a truly formative stage, before the planning authority had even considered which it should prefer, the blight would be too thinly spread to have any material effect on the values of particular properties.

The other main objection to be voiced by the members and staffs of planning authorities is that the Skeffington procedures would protract the plan-making process, so that every plan would be out of date before it came into effect – a characteristic of the old-style planning system which it was a cardinal purpose of the 1968 Act to eliminate. The Committee does, indeed, envisage the punctuation of the planning process by a series of 'pauses' for public participation. But there would be no need for any such delay if it were recognized that the only stage at which real public participation is either practicable or appropriate is when a choice is to be made among alternative conceptual plans. For the

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elaboration of such plans is a necessary first step in the process of exploring the spatial implications of the survey and constraint data – a step which must in any case be followed by further local researches, the need for which it has revealed, and by the testing of ideas on the ground. If meanwhile the alternative conceptual plans have been publicized and the differing value judgements implicit in them explained, public discussion can reach conclusions in ample time for the priorities they reflect to be fed into the process of concept-selection, together with the findings of the further researches and evaluation exercises, without delaying the start of the next stage – the ‘firming-up’ of the selected conceptual plan.

Some planners object to public participation, not on the pragmatic ground that it will discredit their calling by holding up progress and spreading blight, but on principle. In their view citizen participation is just a fashionable fad brought over from the United States, where the planning system is so rudimentary that the only way to get anything done is to whip up a community campaign – which usually turns out to be a means of lining the pockets of the people who started it. They insist that in this country, whose planning system is the envy of the world, planning should be recognized as being, like medicine, a sophisticated professional expertise not to be meddled in by laymen; and that the planner’s job is to give his employing authority the benefit of his expert advice, not to do anything so unprofessional as to curry public favour for it. The public, having elected the members of its local planning authority to take decisions on its behalf, should leave them to get on with it: if people don’t like the results, their only proper remedy is the public local inquiry – or the ballot box.

This is an attitude of mind which certainly cannot be allowed to prevail, but which will prove very difficult to overcome unless the procedures for public involvement take account of its justifiable elements. This they will do if they are designed to limit the *participation* of the public to the making of the value judgements which alone are within the ordinary citizen’s competence. The professional planner’s expertise does not qualify him to make these judgements, but it is only with its aid that the issues can be presented to the layman in such a form that he can effectively



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exercise his due prerogative of value judgement. Planning officers (except for a few of those who are basically architects) would, I am sure, willingly operate participation procedures that were so designed, at least for structure planning. They would then be more easily persuaded to play their necessary part in the *public relations* aspect of community involvement, which the Skeffington Committee too often miscalls participation. Informing the public – through press, radio, television, exhibitions, public meetings and the like – about the contents of plans, the reasons for them and the implications of them, must indeed ‘be regarded as part of the job of any planning officer’; and to the extent that it involves evening or week-end work, his terms of service must clearly entitle him to compensatory time off in office hours. On this, and on the complementary nature of the information officer’s role, the Skeffington Report is absolutely sound.

On the machinery for organizing both kinds of public involvement, however, the Skeffington Report is inevitably unsatisfactory, because it could not take account of the revolution in local government that is implicit in the unanimous recommendations of the Redcliffe–Maud Report. Skeffington recognizes that the public cannot be expected to see planning (as local government still predominantly sees it) as an entity in itself. When the Coventry planners organized public meetings on their development plan, most of the comments were on matters such as street lighting and refuse collection for which the planners had no departmental responsibility. Skeffington draws the right conclusion – that any public involvement in planning must be concerned with the whole range of the community’s interest in its environment, social as well as physical. But the corollary is not just ‘that all members of the local planning authority are involved and that the planning department must have the support of other departments in their participation activities’. It is that local government must cease to behave as if it were just a collection of departments, each administering a group of statutory services as the agent of a government department; it must organize itself to act as a unity. What Redcliffe–Maud commended in the name of managerial efficiency is no less essential to participatory democracy.

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It does not follow, of course, that a local authority must be 'unitary' in the sense of having responsibility for all the statutory functions of local government, any more than it must be responsible for such related services as social security, youth employment, probation, industrial training and the like. There can just as well be one kind of local authority responsible for all aspects of community *care* and another kind (of the larger scale that is nearly everywhere necessary for its area-based functions) responsible for all aspects of community *development*. What is necessary is that each kind of authority within its sphere should have an overall concern for the well-being of the whole community, the one dealing with what can be done in existing circumstances and the other with what needs to be done to create more favourable circumstances.

Nor does it follow that unity requires the merging of several departments under an overlord qualified in the professional expertise of one or other of them - a sure recipe for trouble, in commerce or industry no less than in local government. What it does require is an end to departmental policy-making through semi-autonomous functional committees, severally advised by departmental heads, who may not meet one another from one budget day to another - and then only to fight for their estimates. What it does require instead is a system of overall policy planning and programme budgeting by a central committee, advised by a team of specialist officers meeting frequently under the chairmanship of a general manager, whose job is simply to see that policy decisions are taken by the responsible committee as and when they are needed, that they are carried out by the responsible executive officers, and that the feedback from their execution is brought to bear on subsequent policy-making. How the chores of departmental administration are from time to time distributed among the executive chief officers, and collectively supervised by broadly based functional committees, will then become a matter of expediency.

Under such a system the structure plan will no longer be prepared by a land-use planning department (or section of the architect's or engineer's department) for a planning committee that is virtually the local planning authority, working in occa-

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sional liaison with the transport department and committee – or even by a double-headed department and combined committee such as the G.L.C. is now bravely venturing to establish. It will be an expression of the environmental implications, in terms of spatial relationships, priorities and works, of the authority's comprehensive policy plan and capital investment programme for the physical, social and economic development of its area. If in these circumstances public participation in structure planning is to have any real meaning, it must entail public participation in the making of the policy plan. The whole field of the local authority's activities must be thrown open and continuously kept open, by the authority as such, for public discussion.

Some may doubt whether in these circumstances any attempt to involve the public at large in structure planning is likely to be productive enough, or its outcome relevant enough, to be worth while. There is something to be said here, perhaps, for the Skeffington Committee's suggestion that the structure planning authority should maintain a participants' register of individuals and bodies who are prepared to pay for the privilege of being kept informed about the structure plan's progress and of receiving all the relevant documents, provided there is no question of their having a right to be consulted.

Certainly a much more significant response can be expected from public involvement in the making of a local plan covering an area small enough for its inhabitants to know it and care about its environment as a whole. But here, too, what is thrown open for public debate must be a comprehensive policy for the whole environment, in its functional as well as its visual aspects, and not just a policy for the use of land. And it is here that the grass-roots councils proposed in the reports of both Royal Commissions have a vital part to play – provided they represent only parishes, very small towns and urban neighbourhoods. For it is only to such limited areas, as the English Royal Commission's *Community Attitudes Survey* made plain, that people really feel they belong.

In the absence of such councils throughout the large urbanized areas in which most of us live, the Skeffington Committee suggested that public involvement should be organized in two ways: so far as the active and articulate minority is concerned, a con-

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sensus should be sought through the setting up by the local authority of a community forum representing all the local organizations – religious, social, civic, amenity, residential, political, industrial, commercial and other – that are interested in the working of the community from any point of view; and the non-joiners should be roped in through the appointment by the local authority of community development officers to work among them and elicit their views.

Understandably, the Skeffington Committee found little enthusiasm among local authorities for either of these devices. Far from producing a cross-fertilization of ideas leading to a consensus, the objectors say, a community forum is likely to do no more than lend a spurious authority to the hobby-horses of its most vociferous pressure-groups. As to the non-joiners, why should a local authority gratuitously stir up trouble for itself? Let sleeping dogs lie.

From a less prejudiced point of view it may still be objected that these devices are based on the wrong dichotomy. The real need that is left unmet by any federation of sectional interests (altruistic or other) is not for an artificially stimulated (and therefore suspect) contribution from the apathetic, but for a sounding-board for the views of those who are non-joiners because their concern, like the local authority's, embraces the whole community, however small. This is one of the needs identified by the Open Group in its pamphlet *Social Reform in the Centrifugal Society*; and it is a need that will be accentuated by any provision that helps sectionally interested bodies and self-interested persons to influence planning decisions.

As the Open Group puts it, the disinterested reformers too must organize, so as to fortify the failing will of modern governments, central or local, to make necessary changes which no sectional interest wants, and to withstand pressures which no sectional interest opposes. The right way to fill the gap found by the Skeffington Committee – the lack of 'machinery for the return of views to the authority' – is the constitution of a layer of truly local elected councils with no statutory administrative functions but with the job of voicing community opinion, with the right to be consulted at the formative stage of the preparation of all plans

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affecting their communities' local environment, and with the power to provide, at their communities' own expense, any social facility, convenience or amenity which no body has a statutory duty to provide.

In the words of Mr Charles Arnold-Baker, secretary of the National Association of Parish Councils,

Skeffington is proposing that the planners should approach the public, both organised and non-joiner. But in real life this cannot happen systematically unless there are permanent and independent organs of public opinion whose function is to ensure that this will be done. Organised voluntary bodies of opinion exist to further their specialised interests and ideals. They can and will thrust themselves upon the planners, but it is their nature to be sectional, and none of them can claim to represent the public of a locality as a whole. Moreover, many of them are ephemeral and administratively shaky. The only local bodies with a claim to represent the people as a whole, and with a corporate permanence, will be the local councils. Without them, public involvement will become haphazard. (*Local Government Chronicle*, 23 Aug. 1969).

Endorsing this view, the Open Group insisted, in opposition to the Redcliffe-Maud proposals, that such local councils could serve their proper purpose only if they were based on

the communities to which people belong, that is on the equivalent of parishes inside as well as outside cities.

It went on to say that

a system of neighbourhood or urban parish councils would then be as much rooted in people's loyalties as any system could be, and if it did arouse a real response the central government would have created all over the country potential allies for itself who were, even if only parochially, championing more general community interests against all the more narrowly drawn sectional ones.

Such a new bottom tier of local government, it added, would excite some people other than the professionals in local government. But in demanding for this bottom tier certain minimum *responsibilities* for the provision of services in housing, education and welfare, the Open Group went astray – unless it meant that these responsibilities should cease to be statutory. Perhaps it did, for it continued:

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We, in fact, want to break away from the traditional forms of representative local government and give a trial to direct democracy. In large areas representation is all one can have; in small areas something nearer direct or participatory rule is at any rate possible. We are after consumer syndicalism, or operation of a service by the people who benefit from it.

The community councils proposed in the Wheatley Report on Local Government in Scotland, like the common councils advocated in my memorandum of dissent from the Redcliffe-Maud Report, would have no statutory duties, but would represent the real communities in which people feel at home. They could foster consumer syndicalism as an alternative and a complement to the statutory provision of purely local services by the local authority, as well as provide the necessary stimulus, sustenance and channel of communication for public involvement in its discharge of statutory plan-making functions; but they would lack the financial capacity of my common councils to provide such facilities as village halls for participatory public meetings and exhibitions as well as for social activities. It is, of course, implicit in the concept of the common council that its elected members should not simply express views in the name of their community, but should mobilize community opinion by holding open meetings of their electors to discuss any plan or project that affects the local environment.

All this is not to say that there is no need for community development officers. On the contrary, such functionaries have an important part to play in the planning team, as interpreters of social needs, working alongside experts in such other fields as industrial and commercial development. They are also needed when the planners have done the best they can to provide the sort of environment in which ordinary people can fulfil themselves in action. Then their job is to train ordinary people to organize themselves in pursuit of their own social purposes. In so doing they will incidentally help to foster a wider public participation in the planning process; but they should not, as employees of the local planning authority, be called upon to foment dissatisfaction with its proposals where it would not otherwise be felt.

# The Future of the Personal Social Services

R. A. Parker\*

THE personal social services are usually considered to be those, lying outside the general fields of health and education, which are adjusted in some special way to the particular social needs of individuals, families or groups and which require personal contact between provider and recipient. The skill involved is often labelled 'social work'. However, in order to cover all the personal social services this has to be interpreted generously enough to encompass such things as the provision of straightforward information† or domestic help as well as the residential care of the old or work in the community supporting the mentally disordered and their families. Local authorities have major responsibilities for such services although at the moment these are divided between children's, welfare, health, education and housing departments.

The broad examination of the personal social services undertaken by the Seebohm Committee<sup>1</sup> has focused more attention on them than at any time in the past. Previously, these services have only been reviewed, criticized and modified in a piecemeal fashion, if at all. However, the Committee's report now offers a great opportunity for their comprehensive development. In this, its recommendation for unified social service departments at the

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† 'We need guides . . . through a new kind of civilised jungle. Social work is an example of . . . the liaison function, a large part of its total activity being devoted to putting people in touch with the community resources they need but can hardly know, let alone locate.' (H. L. Wilensky and C. N. Lebeaux, *Industrial Society and Social Welfare*, Free Press, 1965, p. 286.)

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local authority level is clearly important, but, equally, so are its various suggestions for the redirection and re-emphasis of existing policies and for the pursuit of new programmes.

The purpose of this article is to consider a few of the factors which are likely to influence the future pattern and nature of the personal social services, particularly in the light of Seebohm. Some factors will, of course, exist whether or not the committee's proposals are adopted: others will be connected more closely with their implementation. All, however, can be broadly classified into those which mainly affect the needs the services are intended to meet, those primarily affecting the resources available, and those which determine the level of effective demand. Obviously these aspects are related and the balance of their relationship will certainly have a profound bearing upon developments.

Whatever the future administrative structure of the personal social services, certain demographic, social and economic changes will lead to growth in the needs these services aim to meet. There is the basic fact of an increasingly adverse balance of the dependent to the independent in the population. For instance, whereas the population as a whole will grow by 17 per cent in the next two decades, the population over 75 will grow by 35 per cent. More severely handicapped children are surviving into adulthood, and the number of chronic sick needing to be cared for by their families increases. There are other significant factors, many of which were summarized by the Plowden council in their discussion of the role of the personal social services. 'We believe', they said, 'that the demands made upon these services will increase during the next decade. They will certainly change. There will be more children. More children needing the help of social workers now remain in ordinary schools, living in their own homes or foster homes. More and more families move house as fathers go to new jobs, and as towns are expanded and as . . . the slums are pulled down. Some move because they want to: some are forced to go. Most will benefit, but sometimes there will be serious problems for families who lack the support of relatives and old friends in times of difficulty. There are many immigrant families fresh to the country. Many of them have special problems.'<sup>2</sup> There will probably be more working mothers whose young children require



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day care and more families coping with a mentally disordered member who, in an earlier age, would have received permanent institutional care.

In the long run, however, the actual amount of need will depend upon our ability to prevent social distress, to simplify rather than complicate life and to support and nurture the family and the community. The personal social services are too frequently involved in dealing with problems which could, in all probability, have been checked or avoided altogether had other social policies been more successful or more energetically pursued. If there had been a sharper awareness of the ill-effects (the social costs) of particular social and economic policies the social services might less often be engaged with the consequences. There are many examples to illustrate the point. One is the failure of our housing policies to eradicate the gross overcrowding which places such great strain on the tolerance and sympathy of those concerned. Another is our slow-dawning appreciation of the effect of the built environment upon personal relationships and mutual-aid systems. Then there is our tentative approach to birth-control provision despite the known hazards of bringing up large, closely spaced families in a complex society. Poverty continues, so does industrial disease.

In judging the likely level of need which will face the personal social services of the future therefore, it is important to know just how fully and how keenly policies of social prevention and promotion will be pursued, not only in these services themselves but more widely throughout the whole range of social and economic planning. Hence in the last analysis it depends upon the quality of life our society is willing and able to create. From dealing primarily with the social casualties of a modern industrial society the personal social services may, in this context, become increasingly concerned with preventive and promotional tasks.

The Seeborn Report repeatedly calls for additional resources of one kind or another to bridge the gaps between the needs which are met and those remaining unmet. Since the personal social services are, characteristically, labour intensive the recruitment and training of staff is crucial. The shortages are

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most acute in the field of residential provision and unless emergency measures are taken immediately they are likely to get worse.<sup>3</sup> There are several reasons for this. The number of older single women in the working population has declined and it was they who comprised a large proportion of the long-serving staff in many Homes. In conjunction with this the general growth of employment opportunities for married and single women alike finds the residential services weakly placed in an increasingly competitive situation. Added to this, residential work is becoming more demanding and more difficult as the less disturbed or the less infirm now remain in the community, leaving a harder core of problems in the Homes.<sup>4</sup>

These trends put a high premium on alternative forms of care being provided in the community. Some have already been used extensively, and foster care for children deprived of their own homes is a good example. More intermediate solutions, such as day care or sheltered housing, will need to be considered, and the potentialities of the home-help service fully used. It is often possible to delay or avoid admission to a Home altogether if domestic help is readily available. The unified local department, for which Seebohm calls, offers a new opportunity to plan the best possible use of scarce residential resources, in close association with the major alternatives.<sup>5</sup>

In the past the personal social services have relied extensively upon a readily available pool of semi-skilled female labour which is fast disappearing. Only by determined competition will these services be able to attract such staff in sufficient numbers. This will require a new look at wages as well as conditions of service and training.

As far as the professional staff is concerned the chief problems are a shortage of training facilities and the difficulty of spreading those who are trained over the whole country. The organizational changes suggested by Seebohm may ease these problems but are unlikely to solve them. Certainly larger local departments will be better placed to encourage in-service training schemes, to take students for practical placements, to release officers for periods of training and to offer a career structure which may attract more men into the service. Despite these advantages

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however, Seebohm recognizes that a major responsibility for developing training must rest upon central government. Only by a keen sense of urgency and commitment in this quarter will professional resources be adequately expanded.

At the moment 'it is increasingly obvious', the Seebohm Report points out, 'that conventional resources alone are not enough. The goodwill and the direct assistance of the community are also needed'. But, it admits, 'we still know comparatively little about how best these might be enlisted and encouraged, of what can or cannot be expected of mutual aid, "community development", voluntary service or neighbourliness, particularly in urban areas undergoing rapid social change'.<sup>6</sup> How far the personal social services can locate and utilize such additional resources is hard to predict, but clearly considerable efforts need to be made. The degree of their success will certainly help to determine the kinds of services provided in the future: a larger share of the conventional resources may be more advantageously used in enabling the community to mobilize its own resources. Self-help schemes, such as pre-school play groups, could, with the assistance of local authorities, become an important feature of future development.

In the past the quality, extent and nature of the personal social services have been largely supply-determined. That is, the limited availability of resources and the prevailing administrative framework have settled the kinds of service available. The actual level and pattern of need has played comparatively little part. New consumer attitudes, more information and professional aspirations could alter this; each is certainly encouraged by the Seebohm Committee's recommendations. Real needs may find a more forceful expression in effective demands.

Despite the fact that one in eight of our population are retired pensioners,<sup>7</sup> and that '*at least* one child in ten in the population will need special education, psychiatric or social help before it reaches the age of 18',<sup>8</sup> there is still a widespread assumption that most people ought not to require help from the personal social services. They are considered to be 'last resort' provisions used by 'other people' who in doing so admit a varying degree of personal or family failure. Why else, it is asked, should a child

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have to be taken into care or an old person enter a residential home? Why else should help be sought from a child guidance clinic or a marriage counsellor? Why else does the probation officer or the education welfare officer call? Such attitudes make these services weakly based in terms of public interest and approval. Equally important, however, they encourage the suppression of legitimate demands on the personal social services. Consumer attitudes represent a filter through which the pressure of real need has to find its way before becoming effective demand. Some people who need help do not ask for it, or seek it too late.

There are certainly good historical, cultural and organizational reasons to explain this.\* Many of our present personal social services descend in a direct line from the Poor Law via public assistance. Some have developed from various forms of charitable effort. A third group grew as adjuncts to major services like health, housing and education but remained apart from the main stream of their parent services because, as the Seeborn Report points out, 'the early school attendance officers, certain workers in the school health service, and housing welfare officers were variously concerned with non-users, difficult or handicapped users, or with others who would not (or could not) use the normal service in a correct or responsible manner'.<sup>9</sup>

Furthermore, the association of these services with socially disapproved groups (such as unmarried mothers or neglectful parents) has tended to discourage some from seeking their help. It must also be remembered that in the past much of the work of the personal social services and their predecessors has been aimed

\*See, for instance, Katrin Fitzherbert, *West Indian Children in London*, Bell, 1967. 'It is true that few West Indians have moral scruples over using the British welfare services, but it is surely too much to ask people coming from such a different world to regard them in the same ambiguous way as we ourselves do, especially as our attitude is very complex, inconsistent and often hypocritical. On the one hand, we have elaborate ideas of social justice, of everybody's "right" to health and well-being and the State's duty to provide these. On the other, we are still a competitive, *laissez-faire* society, which expects everybody to make his own arrangements. Our pity for those who fail is tinged with a great deal of contempt - we are prepared to see them assisted, but still expect them to feel grateful and a bit guilty about accepting public help.' (p. 41.)

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at deterring people or concerned with the determination of eligibility.

In the light of such antecedents, therefore, it is not surprising that potential users still regard these services uneasily. Such apprehension is fed by the prevailing values that our society attaches to 'independence', 'self-help', 'scrounging' or 'competitive success'.

However, if the organizational reforms recommended by the Seebohm Committee come about and its aspirations for the future development of these services are fulfilled, a significant shift in public attitudes may occur. A unified and free-standing local authority social service department with wide responsibilities will not, for instance, require people in need to label themselves (or be labelled) in so precise and obvious a way as hitherto. Moreover, if the idea of a 'partnership' between the services and the users develops, as Seebohm hopes, then the present easily drawn distinction between the 'independent' and the 'dependent' amongst us will become blurred. One passage in the Report, although concerned with children, illustrates this wider principle. 'Clearly', it is maintained, 'the primary responsibility ... does and should rest with parents. Partly because of the growing complexity of society there are, however, a variety of circumstances in which different aspects of this responsibility are shared with public services in the community.'<sup>10</sup> This ideal of shared responsibility leads the committee to suggest a greater development of day care, night care, five-day-a-week care and several other programmes falling between total family responsibility and total public responsibility. The notion is not restricted to children and reappears with reference to the old, the physically handicapped and the mentally disordered. The assumption that the family either shoulders the whole problem of its dependent members unaided or renounces it altogether is severely criticized. There are a great many families needing *some* help at *some* times as well as those needing a great deal of help most of the time.

In this respect, and as a result of improved access to the services which it is hoped to achieve through their simplified administrative structure, demands are likely to grow. Fewer people will, one hopes, be deterred by fear of stigmatization or by the complexity

and fragmentation of services. It also seems possible that the users of these services will be spread more evenly over the full socio-economic range.\* For all these reasons the personal social services are likely to become less residual in character and more generally used. If this happens, better organized consumer interest groups may well emerge and provide a vehicle for the political expression of demand.

However, individual members of the public do not always seek help directly. Numerous organizations and professionals assist by way of referrals. Indeed, this may be the most common route by which people eventually reach these services. For instance, the general practitioner, the head teacher, the home nurse, an employer or priest may all be involved. Their understanding of and confidence in the personal social services is thus a crucial factor. Certainly they should find a unified local department with unambiguous responsibilities more easily accessible.

The quality of the service must also help to determine effective demand. When the personal social services can clearly demonstrate their ability to help successfully, demand will undoubtedly grow. There is still a long way to go in this respect and there are dilemmas ahead. For instance, a severely restricted service is most likely to achieve high standards for the few who are helped and thus advertise its competence. Likewise the development of greater knowledge and skill requires extra resources which could be alternatively employed in the direct provision of service.

Another factor which could contribute to changing the personal social services from being essentially supply-determined to need-determined is the growth of information about the extent of need

\*'Social welfare staff saw clients drawn from many sections of the population, but tended to deal mainly with the elderly and disabled on the one hand, and with the young and their parents on the other. They saw more of those who occupied caravans, lived at high densities and had not the exclusive use of some domestic amenities than of those whose housing conditions were more advantageous. Their clients lived more frequently in dwellings rented from the local authority and less frequently in owner-occupied houses. . . . The households were headed by men from all social classes, but, with (some) exceptions . . . were those of manual rather than non-manual . . . and amongst manual workers of semi- and unskilled . . . rather than skilled . . . ' (Margot Jefferys, *An Anatomy of Social Welfare*, Michael Joseph, 1965, p. 47.)

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and the shortcomings of the services. Little precise information is available about the true measure of either, but if the Seeböhm concept of local research and intelligence units is developed this may be rectified. As more data are steadily assembled a useful political lever may be forged. The availability of an increasing number of comparative statistics is one example of this process. Certainly in local government the demonstration that an authority is falling short of the provision made by its neighbours often appears to act as a stimulant. Alternatively, an unfavourable comparison with the 'average' may provide central government with an opportunity to encourage the less ambitious authorities to raise their standards.\*

The unification of the personal social services may have at least two repercussions on the availability of information. First, more comprehensive data can be assembled. At the moment different local and central departments collect different items and the overall impact can easily be lost. Second, as the Seeböhm Report contends, 'the greater simplicity and accessibility of a unified department is likely to expose many needs which have hitherto gone unrecognized or unmet. Such a clear demonstration that a more extensive and better service is required on many fronts may in itself exert the necessary pressure for increased public expenditure'.<sup>11</sup>

Historically it can be seen that professional competence and, hence, professional recognition have been closely related to the performance of the organizations in which such professionals are employed. Donnison, reviewing the development of social administration, points out that "the commitment of . . . professional groups to the development of their work has repeatedly led them to demand more and better social services".<sup>12</sup>

Thus the progress made in expanding professional training for those working in the personal social services could have far-reaching effects on their future pattern. There is already a sense of professional identity emerging amongst social workers, and

\*In these respects the publication of local authority health and welfare plans may be more important than critics of their accuracy or over-optimism appreciate (see Ministry of Health, *Health and Welfare: the Development of Community Care*, 1966, Cmnd 3022).

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professionally of course, their fortunes are firmly tied to these services. There is little opportunity to work in other fields nor can they engage in private practice. The unification of services will increase their influence, and training will sharpen their sense of dissatisfaction with present levels of achievement.

How far the professional interests will correspond with those of the users is not easily judged. Neither in the fields of education nor medicine have the two sets of interests always coincided. In this context the extent to which 'consumer participation' is achieved in these services will be important. The Seeböhm Report is anxious that such developments should be encouraged. It says, 'participation . . . provides a means by which further consumer control can be exercised over professional and bureaucratic power, a control which may sometimes mean direct protest, as has occurred in demands for improved public transport and for the liberalizing of admission policies in welfare accommodation for homeless families'.<sup>13</sup>

## CONCLUSION

The future of the personal social services is by no means clear. What is clear, however, is that we are now at a point in their development where opportunities for assuring improvements must be taken. The adoption of the broad principles embodied in the Seeböhm Report could achieve a major shift towards services which are firmly need-orientated. Every possible means must be used to see that the needs of the inarticulate, the weak, the disapproved, the old and the isolated are fully expressed. At the very least the balance to be struck between need and resources must be more clearly exposed as the political issue it is.\*

\* Since this article was written most of the proposals in the Seeböhm Report have been accepted and are contained in the Local Authority Social Services Bill now before Parliament.



Notes

1. *Report by the Committee on Local Authority and Allied Personal Social Services*, Cmnd 3703, 1968.
2. Department of Education and Science, Report of the Central Advisory Council for Education (England), *Children and Their Primary Schools*, 1966, vol. I, para. 226, p. 83.
3. See especially, *Caring for People*, Allen and Unwin, 1967 (Report of the Williams Committee).
4. I have discussed this trend more fully in 'The Residential Care of Children', *Case Conference*, January 1967.
5. See B. P. Davies, *Social Needs and Resources in Local Services*, Michael Joseph, 1968, for an interesting discussion of the substitutability of different services, particularly for the old.
6. Seebohm, para. 150, p. 47.
7. Ibid., para. 295, p. 90.
8. Ibid., para. 173, p. 53.
9. Ibid., para. 53, p. 23.
10. Ibid., para. 186, p. 56.
11. Ibid., para. 150, p. 47.
12. *Social Policy and Administration*, Allen and Unwin, 1965, p. 21.
13. Ibid., para. 493, p. 152.

## The Seebohm Report\*

*Enid Wistrich†*

THE last twenty years has seen a great development in local social services. When the comprehensive residuary Poor Law institutions were at last closed the special needs of many deprived and dependent groups in the community became apparent, and had to be met. The result has been a series of services, devised at both national and local level to meet the general needs of the community and of particular groups requiring specialized help. Thus the National Health Service, set up in 1946 for universal use, was a completely new administrative structure, separate from local government except for the local health services. The Children's Service was an important addition to local government work in 1948. Many more services have developed within the existing local government departments to meet the needs of children in trouble and of the elderly, the deprived, the sick and the handicapped. Some which started as local initiatives have been further developed by legislation. Today the health, welfare, housing, children's and education departments in local government all provide important welfare services and undertake social case-work, each catering for the needs of particular groups. Each has developed its own approach, employs its own specialized staff and competes within the local authority for its share of scarce resources.

But social needs, like troubles, tend to come not singly but in droves. The likelihood is that a child in difficulties at school because of learning problems may also be a poor attender, and suffer from ill health. Further investigation may disclose a family

\*Review of *The Committee on Local Authority and Allied Personal Social Services*, H.M.S.O. 1968, Cmnd 3703, £1 11s. net. (Revised August 1969.)

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losing the struggle to stay together, with mother absent for periods in a mental hospital, another child at an approved school or a baby taken into care, and father owing substantial rent arrears to the council. To complete the picture grandmother, living nearby and helping out, recently fell and broke her hip. Unable to climb up to her second-floor flat, she has had to enter an old people's home. In this cautionary but by no means unlikely tale the family are likely to have consulted and been visited by a plethora of social and other professional workers, each concerned with one aspect of the needs of one member of the family, none responsible for the total family welfare. Confusion and uncoordinated action, conflict of action and advice are the likely results. That they do not occur is a tribute to the heroic attempts at liaison carried out within the present fragmented system of local social administration.

Not surprisingly the Seebohm Committee, which was set up to review the organization and responsibilities of the local authority personal social services, recommended 'a new local authority department, providing a community based and family orientated service, which will be available to all'. The new department would perform the work of the existing children's and welfare services, including the provision of children's homes, old people's homes and accommodation for the homeless, and would take over social and welfare work at present carried out by the local health authorities, including the home-help services, the provision of day nurseries, mental health social work and the adult training centres for the mentally handicapped. Its aim would be to provide a family service, recognizing each problem as one aspect of a family's total need.

These recommendations will make an important contribution to the effective coordination and consolidation of personal social services within local government and the Committee rightly argues that the integration of these services is their most important need at their present stage of development. They also have a second effect, namely the recognition of social work as a professional discipline which requires the status and authority of a separate department and can no longer be considered solely as an adjunct to the older professions of medicine and education. This

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emphasis no doubt reflects the composition of the Seebohm Committee, three of whose nine members are chairman, principal and lecturer respectively of the National Institute of Social Work Training, and a fourth the wife of its president. Important proposals are made on the future training of social workers, emphasizing the need for more training of all staff and for a unified approach. Within the department there should be no specialization in social work at the basic level. Every family in need of social care should be served by a single social worker who would be able to recognize each need as part of a total family situation. Other social workers would be drawn in only if it was felt to be necessary to meet particular specialized problems.

If there are doubts about the new proposals they rest with the wisdom of separating the social welfare work from the local health services. It is intended that health visitors and home nurses will work under the medical officer of health and be attached to clinics, to general practice and hopefully to new health centres. They and the public health inspectors would provide important screening services and would pass on all cases of social need to the social service department.

But the medical and social aspects of care are so closely interwoven in some cases that the very closest liaison is necessary if the right balance of care and advice is to be given. Nowhere is this more important than in the care of the mentally ill, the chronic sick, the multiply handicapped and of elderly, ailing people. Take the case of a slightly confused, frail, elderly person. Upon the social service department would rest the onus of deciding whether to turn to a hospital, an old people's home or use general practice and domiciliary services for the best benefit and support. The advice of a consultant physician from a nearby hospital would be available, but it is doubtful if this would be as satisfactory as close and continuing liaison with fellow officers in a local health department. This problem will be more marked if the Ministry of Health and Social Security proposes that local health services are transferred to nominated Health Boards. While health visitors and home nurses would be working at local level in the same areas as social workers, their responsibility would be to authorities of a very different type and possibly covering a

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different area to those of their colleagues in the social service department. The Seebohm Committee looked forward to a possible reunion of health and social services at local level when social welfare services have been further integrated and strengthened. It would be a pity if during the interim period the new department became too self-centred and its link with the health services tenuous at a time when the medical profession is at last moving towards a more positive social view of its role.

In its work with children of school age the new department would also have to work closely with the education authority. Teachers are important in noting and referring children in difficulties. They and the educational psychologists attached to the education department will have to work closely with school welfare workers, now to be part of the social service department, and possibly with school doctors, medical and psychiatric consultants and probation officers, if the best work for school children is to be achieved.

The new department would be a major one in the local authority, serving its own committee, strong enough in size and status to command a leading member of the council as its chairman and consequently an effective voice in the inner councils of committee-chairmen. It would employ a large staff and be responsible for running a considerable number of residential homes and hostels for the elderly, homeless, mentally subnormal and for children and young people. Its staff of social workers would be divided among area offices, and each team of ten or twelve would serve a population of 50,000 to 100,000 in collaboration with home helps, home nurses and health visitors. The integration of different types of social workers, each with their own training, own previous clientele and own approach to problems, and of many varied homes and hostels into a unified whole will be no small task. The area office units will have to provide the kind of support for its staff previously given within the specialist sections. The Seebohm Committee rightly lays emphasis on the importance of the initial appointment of a principal officer. With the medical officer of health out of the running, the choice would be most likely to fall on one of the present officers responsible for the children's or welfare services, and there is no reason to doubt that

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these officers who already run departments with widespread responsibilities have the qualities necessary to weld a many-sided department into a whole. In the organization of the new department it will be important from the start to avoid a sectional approach reflecting the previous departmental divisions.

The new department would still lack close liaison with some other public authorities performing social service. Although education is a function of the same local authority area (except in Inner London), housing is at present carried out by separate district councils in county areas. The Committee favours the transfer of housing to the same local authority as the social service department. There is much to be said in favour of this change. It would make close liaison between the housing and social service departments far easier. This would be of great benefit in cases where a housing officer was considering eviction of a tenant who owed arrears of rent. Again, the planning of housing estates to meet social need is easier where housing, planning and social service departments are under the same local authority. The Royal Commission on Local Government has also stressed the importance of linking the work of the housing, personal social services and education services with the planning of the physical environment. In its fifty-eight proposed unitary authorities all these services would be administered by the same authority, and in the three proposed metropolitan areas, education, personal social services and most housing responsibilities would be run by the twenty metropolitan districts while planning and broader housing policy would be the responsibility of the three metropolitan authorities.

The areas for the administration of the probation and after-care services are not co-terminous with local authority areas. The White Paper *Children In Trouble*, published in April 1968, recommended that there should be joint planning committees formed by children's committees of several local authorities designated by the Secretary of State, and these areas should secure a sensible relationship with the areas of police, probation service and hospital administration. The task of the joint planning committees would be to draw up plans for the best use of homes and treatment centres for young offenders in their areas. They are

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likely to be formed on a regional basis and their existence emphasizes the need for regional planning if existing facilities are to be employed in the most rational way. The Royal Commission on Local Government rightly extends this idea by proposing that its eight provincial councils should plan not only the system of specialist children's homes in their areas, but also the provision of special education for handicapped children.

Turning now to possible changes in the structure of the National Health Service, the Ministry of Health in its Green Paper of July 1968 proposed the creation of forty or fifty area health boards to assume the administration of hospitals and all other medical services including personal local health services. If this proposal is accepted and the Seebohm Committee's proposals are adopted it would mean the end of the local health departments run by local authorities.\* Their functions would be split between the health boards and the local authority social service departments. The medical officers of health would become specialists in community medicine attached to the boards. The passing of 'the doctor', one of the best paid and most powerful of local government chief officers, from the local government scene should not go unremarked. The first medical officer of health was appointed in 1847 and medical officers have played an important part since then in taming the urban environment and positively fostering public health. It is worth asking whether the office has outlived its usefulness and if local health services can now be satisfactorily divided between health boards devoted predominantly to medical services and local authority social service departments. The problem of divided responsibility would not arise if the medical services, including the hospitals, were to become the responsibility of the reformed local government main areas as the Royal Commission on Local Government has suggested. Unfortunately the reluctance of the medical profession to work under democratically elected bodies makes this unlikely. If so, then the Royal Commission's alternative suggestion, that a substantial proportion of the members of the health boards should be chosen by the local authorities and that the boundaries of the boards' areas should be co-terminous with the main local

\* See Postscript on p. 125.

authorities, either singly or in combination, is vitally important. The community health officers attached to the health boards might also be made statutory advisers to the local authorities in their areas. The basis would then be laid for effective cooperation between hospitals, general practitioner and other health services and social service departments.

Coordination of the social services at national level is vital if the local reorganization is to make its full impact, and the Seeborn Committee rightly lays emphasis on this. Part of the job has been done with the amalgamation of health and social security into a new department of social service. It remains to be seen if Mr Crossman can persuade the Cabinet to agree to the transfer of the Children's Service, now to include the approved schools, from the Home Office to the new Ministry. It will then be important to ensure that the sections dealing with family welfare services are not lost in a department with very large responsibilities ranging from hospitals to pensions. A division devoted to research and to overall planning, stimulating and co-ordinating local action, which would include the proposed new inspectorate, would be vital in this respect.

In an interesting section on community development, the Committee recommends that the new social service department should have 'a clear responsibility for developing conditions favourable to community identity and activity'. Senior officers in the department should be responsible for this work, building up knowledge of the community and its needs, encouraging the participation of citizens in the work of the social services and promoting and supporting the work of voluntary organizations and local community associations. These ideas are excellent. They are part of the growing recognition that democracy should not end at the ballot box, but extend to the process of decision-making at every possible level, and that the quality of the services provided by government is thereby improved and enriched. Whether this work should be located within the social service department is, however, debatable. Other local government departments have an equal need for close links with the community in their work. The planning department is responsible for shaping the physical environment in which people live and should



work closely with amenity and local community societies. The Skeffington Committee, appointed by the Minister of Housing and Local Government to consider measures designed to increase public participation in planning, has recommended the setting up of community forums to give local organizations the opportunity to discuss planning issues together, and the appointment of community development officers to secure the involvement of people who do not join organizations. Education authorities should be actively encouraging local parent-teacher associations. Housing departments need to cooperate with tenants' associations. Some local authorities have set up neighbourhood advice centres in redevelopment areas to maintain contact with the public. Others are developing community work from local community halls, youth centres and children's play groups. This work properly belongs to the council as a whole. It is an attitude which should inform every aspect of a local authority's work and not be thought of as central only to the social services. There is certainly a case for placing community workers in an organization like the local council of social service which is independent of the local authority itself, so that the public can feel that they work independently of officials exercising authority.

The Committee's proposals should also be considered from the client's viewpoint. The family that is in trouble will know more readily where to go for help from 'the welfare', and the number of social workers they have to tell their story to will be diminished. If the social worker appears helpful and sympathetic to the client, ready to assist with all aspects of the family situation, the benefits to him will be enormous. But not every social worker appears so. Some are less competent, some seem to the client to be unreceptive to his needs. In this situation the fact that the social worker provides the only point of access to the services the client needs will be frustrating. Much therefore depends on the quality of the social service workers, their recognition that they do wield 'professional power with public authority' and their willingness to seek help from other colleagues and if necessary pass on cases where a deadlock in relationship has been reached. There is, too, a case for some kind of appeal system to an outside body against neglect or malpractice. The Ministry's Green Paper on the

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National Health Service suggested a health commissioner to hear complaints about the health services, who would report to the Minister if the health boards did not carry out his recommendations. The Government has recently announced its intention to set up offices of commissioner for both the health service and for local government. Thus the whole of the health and local social services would be subject to a system of appeal against faulty administration. These proposals are very welcome because every citizen needs to feel that he has a fair chance of just treatment in a world where procedures are complex and the structure of authority bewildering. In general the basic simplification of approach which the creation of a social service department will effect will help to bring about that end.

The report of the Seeborn Committee has been well received by both the Government and the Opposition and it seems likely that the Queen's Speech in 1969 will present proposals for reorganizing social services on Seeborn lines. At local level there have been mixed feelings because of the traditional predominance of the local health departments over the children's and welfare services. Many local councillors and officers feel that the establishment of a social service department would hasten the demise of the local health department and the removal of most of its functions to nominated health boards. Five of the London boroughs have already reorganized their social services in one department under the medical officer of health. Many outside London would probably do the same if they had not been advised by the Home Office in November 1968 against any action while the whole question of changes in local government areas and functions was under consideration. Meanwhile Scotland is going ahead with the creation of social service departments in the biggest cities and its experience could prove valuable to authorities south of the border. Until the important decisions are taken at national level and legislation is passed, local authorities could start bringing their personal social services together in a number of important ways. First, they could establish a co-ordinating committee for the health, welfare and children's services, and where appropriate the housing and school welfare services. This would consider questions of broad policy common to all three services,

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training programmes, common centres of administration and possibly specific cases where a number of services were involved and a question of common policy arose. Second, they should establish at the very least common offices for the administration of these services at local level, and initiate area centres for social workers in the field on the lines proposed by the Seebohm Report. Third, they should start establishing training courses or release their staff for external courses which would prepare social workers in all departments for their role as all-purpose family social workers. They should also start exchanges of staff between the departments and foster other methods of helping their officers to understand each other's approach. By taking these important steps local authorities would be creating the ethos of the Seebohm Report before the actual reorganization could be carried out.

## POSTSCRIPT

Under the revised proposals of the second Green Paper (1970) local health departments would be retained but would administer only the environmental health services.

## Face-lift for the N.H.S. — a Major or Minor Operation?

*J. R. Butler and R. J. C. Pearson\**

THE National Health Service has been continually changing and developing during the twenty years of its existence and future historians may well document the late 1960s as the stage when disenchantment with the 1946 settlement prepared the ground for major changes in the future. The enthusiasm that launched the service into the post-war world is now largely spent and the past few years have seen increasing attempts to rationalize the service to meet the changing demands and conditions of the 1970s. The aim in this essay is to outline some of the major contemporary problems facing the health service, to examine how they arose in the first place and then in the light of this historical perspective to consider possible ways in which the service might develop in the future.

The post-war years were ones of hope. To be sure, Titmuss's belief in the 1946 National Health Service Act as 'one of the most unsordid and civilized actions in the history of health and welfare policy'<sup>1</sup> did not command universal respect, but nevertheless the fundamental principles of the Act were accepted by all the major political parties, and so much psychological capital had been invested in reaching an acceptable compromise that powerful professions and pressure-groups were committed to making the system work. To the public the notion of a comprehensive health service free to all patients at the time of use was an obvious improvement on the existing panel system and was wholly in accord with the spirit of the Beveridge Report.<sup>2</sup> The nation was determined that things were going to be very different from the heartbreak conditions of the thirties. The optimism of the first

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decade of the service was reflected in the conclusion of the Guillebaud Report<sup>3</sup> in 1956 that the N.H.S. was 'framed broadly on sound lines'. The important theme of integration between the various branches of the service, which was prominent in the discussions and recommendations of the Report, attracted less immediate attention than the underlying note of confidence that 'longer experience of the working of the service and the gradual emergence of a new generation may make comparatively simple many things which now appear difficult or impracticable'.

The new generation, however, nurtured in the N.H.S. without personal experience of any other system, became increasingly critical of the capacity of the service to meet the changing demands made upon it. From the vantage point of the late 1960s it is possible to look back and reflect that many of the principles of the 1946 Act never really had much chance of long-term success. One may also be tempted to wonder how such an administratively cumbersome structure ever got on the statute book. The simple answer is that social legislation rarely represents a completely ideal solution to a problem, and that social policy is almost always the outcome of a compromise between conflicting opinions and interests. The National Health Service Act is perhaps the supreme example in recent history of this process at work.<sup>4</sup> In 1939, when arguments for change were beginning to flow, a variety of groups had substantial vested interests in the shape of the new health service: the consultants, the G.P.s, the medical officers of health, local government officials, insurance committees, voluntary hospitals and, of course, the politicians. What finally emerged in 1946 was the outcome of a long series of negotiations between these groups, each concerned with stating its own interests as loudly as possible and with securing as favourable terms for itself as possible in the new service. One politician described it as 'a process of erosion', which well describes the wearing down that happened in some degree to all the groups, and a *Lancet* editorial commented that the final structure of the service resulted more from these discussions than from any doctrinaire ideas of the Government (a Labour Government had been returned to power in 1945). It is scarcely surprising that the administrative pattern contained in

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the 1946 Act was untidy. Willcocks<sup>5</sup> describes the service as 'split rather than unified, free but with private practice, and including both elective and appointed systems'. The scheme was, however, politically feasible, and with the British Medical Association, whenever the negotiations showed signs of going against the best interests of their members, continually threatening to refuse to work in the new service, this was a supremely important consideration.

In general the medical profession did much better in the negotiations than the other groups. The first concrete plan, proposed by the Minister of Health (Mr E. Brown) in 1943, was for a unified health service with all the services as the responsibility of one administrative unit, and these based on the local government system. Control by local government, however, was not at all to the profession's liking and, largely it seems as the result of pressure from the B.M.A.'s representatives, it was quickly shelved. (It will be seen that this plan, and its fate, is of more than passing historical interest, for it is strikingly similar to a powerful contemporary argument about the direction in which the service should move in the 1970s.) By 1946 the profession had gained several more major concessions: there was to be no salaried service for G.P.s and no local government control of either the family doctor service or of any hospitals; the hospitals were to be run on an *ad hoc* regional basis, with special treatment for the teaching hospitals; and the consultants had secured several professional and administrative privileges. The lesson of this is clear: future developments are unlikely to occur unless the pressure groups within the profession approve them.

The 1946 Act created a three-part health service, under the overall control of the Minister\* who is responsible to Parliament for the service. Almost all forms of medical care are covered, and they are mostly provided free at the time of use irrespective of any attribute of the patient. The total cost of the service was £1,490 million in 1967-8, and almost three quarters of it was borne

\*In November 1968 the Ministry of Health was merged into the new Department of Health and Social Security under the control of a Secretary of State for Social Services. The terms 'Minister' and 'Ministry' are therefore technically obsolete, although by convention they continue to be used.

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directly by the Exchequer (that is, out of taxation), with the rest coming from contributions, charges to patients, local rates and other minor sources. The most expensive of the three parts of the N.H.S. is the hospital system, which accounts for over half of the total cost of the service each year (in 1968 this amounted to £836 million). The hospital service is administered under a two-tier *ad hoc* structure consisting of fifteen regional hospital boards, which are responsible for the overall planning and control of hospitals in their areas, and some 300 hospital management committees which actually run small groups of hospitals on a day-to-day basis. Board members are appointed by the Minister and committee members by the boards, and thus the removal of all hospitals from local government control in 1946 drastically curtailed the opportunity for the citizen to participate directly in the running of the service. The medical teaching hospitals are administered separately by boards of governors.

Much less expensive than the hospitals are the general medical services, which include G.P.s, dentists, pharmacists and, since 1968, the ophthalmic services. Together these consume about a quarter of the total annual cost of the N.H.S., which in 1968 amounted to £371 million. They are controlled by local executive councils made up of people appointed by the professions in the area, by the local authority and by the Minister, and each practitioner is an independent contractor with his council. The councils themselves are notionally independent bodies, although they do not decide how much each doctor or dentist is to be paid, and the money with which they pay their contractors comes from the exchequer. The creation of the executive councils in the 1946 Act was a political device to overcome the objections which the medical profession in particular had to becoming employees of either central government or, much worse, of local government. The effect of the arrangement was to preserve the doctor's feeling of professional independence, but it has created the remarkable situation of some 20,000 autonomous medical practitioners, each one being his own clinical director, and with no national standards of practice to which he must conform.

The third part of the service rests with the traditional system of local government and is the only branch of the N.H.S. that is

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supervised by democratically elected officials. The designated local authorities are responsible for providing maternity and child welfare services, domiciliary midwifery services, family planning clinics, district nurses, home helps, ambulances, community mental health services and health centres. The money for these services comes from the local rates supplemented by central government grants, and from charges levied for some of the services.

Such an account of the genesis of the N.H.S. is directly relevant to understanding the present turmoil and the likely development of the service, for it shows that the final shape and structure of the service carried many marks of compromise; consequently it is no surprise to find a number of serious problems showing up in the light of experience in running the service. Against such a background of change and flux, people have increasingly questioned whether the variety of health and welfare needs of all sections of the community can be met within the basic structure and philosophy of the 1946 Act. The crisis in general practice (as much one of status, isolation and function as of finance) and the increasing rate of emigration of hospital doctors have become national political issues. Concern has grown over the relatively low financial investment in the service, and interest has concentrated on new sources of money. The distinction between health and welfare has become blurred. The shortage of personnel in almost all branches of the service has stimulated interest in national manpower policies and in the supply, training and deployment of future doctors.<sup>6</sup> The availability of routine statistics for management purposes has increased and the value of the computer in both administration and patient care is now well recognized. Patterns of population growth have increased the size of two groups of high users of medical care, children and old people, and the burden of illness in the community is increasingly dominated by the chronic and degenerative diseases, with their own particular problems of management. Consumers generally have become more critical of, and articulate about, standards and values in goods, services and, it seems, medical care. The growth of the private market has reflected and stimulated the demand for consumer choice in medical care. The hybrid disciplines of social



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medicine and medical care, both now respectable academic subjects, have dramatically extended our knowledge and understanding of social factors in illness. And the list of changes, familiar enough, could be extended. The problems, sentiments and aspirations generated by them have crystallized in recent years in a number of reports, plans and blueprints from a variety of sources, and it is to the political consensus in these documents that we must look for the most probable forms of future growth and development in the N.H.S.

The most fundamental question hanging over the future of the service is that of organization and administration. The 1943 plan envisaged a unified service run by local government, but it has been seen that there were good historical reasons why this was rejected in favour of a three-part system, each with its own administrative structure and separate source of finance. The inadequacies of this system in a health service that claimed to be comprehensive were soon evident. The effect of the fragmentation of responsibility and of the differential source of finance proved to be the weakening of certain basic conditions for good medical care and from the earliest days of the service the tripartite system was under attack. By 1956 the Guillebaud Committee of Inquiry into the Cost of the N.H.S.<sup>3</sup> was able to remark that the integration of the three branches of the health service within local government was 'the only form of major reorganization which calls for serious discussion', but it added the important rider that the existing structure of local government did not make it a practicable proposition at the time. The fierce and continuing resistance of the medical profession to any suggestion that they should be responsible to local government compelled the protagonists of unification to look elsewhere for a solution, and the notion of area health boards was born. The move towards the acceptance of health boards was given a major impetus by the Porritt Committee,<sup>7</sup> which consisted entirely of members of the medical profession, and which therefore had a strong interest in laying the bogey of local government control for good. Their Report, published in 1962, envisaged all the medical and ancillary services in any area being in the hands of single authorities (the area health boards), the rationale being that 'preventive and

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personal health services can only be effectively integrated with the family doctor and hospital services' by unifying administration within areas of community medical care needs.

The principle of a unified health service was finally given an authoritative endorsement in 1968 with the publication of the Government's Green Paper on the Future of the National Health Service.<sup>8</sup> The Minister of Health wrote in its Introduction: 'it seems that the organization of medical and related services, in the community and the hospitals, has now progressed almost as far as possible within the present divided administrative structure.' It is significant that the Green Paper was the first-fruit of the Ministry's new long-term planning division, for the three branches of the service are divided not only at the local level, but also to a large extent within the Ministry itself. Separate divisions exist for the executive council, local authority and hospital services, and until the establishment of the planning division the only Ministry officers below the level of permanent secretary who were concerned with the total spectrum of health services were the handful of principal regional officers. The possibility of achieving a unified health service by concentrating co-ordination at Ministry rather than local level has scarcely been debated.

The Green Paper outlined as a basis for discussion an administrative framework in which between forty and fifty area health authorities, serving an average of about 1½ million patients, would replace the existing 700 hospital boards and committees, executive councils and local health authorities. The new authorities would have 'comprehensive scope for co-ordinating the policy and operation of a wide range of services, for planning the efficient use of complementary resources, and for striking the right balance between care in the community and hospital care.' They would be organized functionally as single units concerned with the operation of the health services as a total system, and the cost of all the services would be borne by the Exchequer. With a fine sense of history the Green Paper stresses that the proposed changes would not affect the professional status of G.P.s – their terms of contract, methods and levels of remuneration, and professional organizations would remain unchanged. In fact the G.P.s come off rather better politically than the teaching hos-

pitals, for the Green Paper proposes that clinical teaching and post-graduate medical education should be included within the main pattern of administration and the teaching hospitals would lose their sovereignty by being placed under the new authority in whose area they are located.

The main reaction to the Green Paper has been to the proposal that the new authorities should be unitary or single-tiered. It is questioned, for example, whether a single authority could be responsible both for the long-term planning and development of hospitals in an area and also for the day-to-day running of them. Although the Green Paper probably still reflects the government's thinking on the basic principle of unified health boards, the details of size and structure have largely been superseded by the Minister's promise to review the concept of unitary authorities. No firm details have yet been announced, but the Minister has publicly hinted at a two-tiered system of 20 regional authorities and some 200 district committees.<sup>9</sup> More important than this, however, is the question of how the Minister will, in his revised plan, tackle the whole issue of who should be responsible for running the service in the future. The 1968 Green Paper followed very closely the Porritt Committee's notion of area health boards (that is, *ad hoc* administrative bodies which are independent of local government), but the Minister carefully left open the possibility that a revised system of local government might be the appropriate authority – as the Guillebaud Committee<sup>3</sup> had done over ten years previously. He had a very particular reason for doing this, namely that at the time of publication of the Green Paper a Royal Commission was examining the whole future of local government in England, and the Minister clearly could not anticipate any recommendations which the Commission might make that would affect the health service. He was thus obliged to show that there were two feasible alternatives.

The Royal Commission reported in June 1969 (the Maud Report<sup>10</sup>), and the Prime Minister immediately committed the Government to its principal recommendations. The majority report recommended an entirely new structure of 61 local government areas, each covering town and country, and with populations of between 250,000 and one million. All but three of the

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areas would be single unitary authorities responsible for all local government services, and in the conurbations of Birmingham, Liverpool and Manchester there would be a two-tiered structure. At first sight this plan seems well suited to accommodate a unified health service, but the size of area which the Maud Commission considered to be essential (i.e. between 250,000 and one million people) falls exactly between the optimum population size needed to maintain a district general hospital (about 200,000) and the size of the health authorities proposed in the Green Paper (about 1½ million people). Undeterred by this startling discrepancy the Commission, whilst making no firm proposals, clearly favoured local government control of the N.H.S. 'Re-organized local government', said the Commission, 'offers as good a chance of ending the present divided administration of the N.H.S. as do nominated boards . . . and a better chance of establishing close relationships between the N.H.S. and the personal social services.' The Commission considered that financial difficulties, though great, 'should not prevent consideration on its merits of a proposal with so much to commend it as control of the N.H.S. by democratic authorities.' The Report makes the important point that such control would not necessarily mean direct control of hospitals or G.P.s by local councillors: elected representatives could be responsible for general policy decisions and for co-ordinating the health service with the personal social services, whilst executive bodies consisting mainly of professionals could, within that policy, take control of building and running hospitals and of administering the general medical services.

Although the Commission clearly favours local government control of the N.H.S. it does not present a very strong case for it. In particular the crucial question of the size of authorities needed as administrative units in the hospital service is entirely ignored: the word 'hospital' appears only four times in the entire majority report, and one of those is in the index. A much more forceful case is in fact made out in the Memorandum of Dissent<sup>11</sup> by Mr D. Senior, who rejects the majority view that the new areas should be based on a pre-determined size, and who favours instead a two-level system of local government, based on city regions, and with flexible sizes to meet different local needs. Senior considers

that, as both the unification of the N.H.S. and the radical reform of local government have become practicable at one and the same time, 'it is inconceivable that we should go to the trouble of re-shaping the structure of local government and yet still leave it unfitted to serve as the administrative framework for a unified National Health Service.' This, he argues, is precisely what the majority report has done, mainly because of its insistence on areas that are of entirely the wrong size for administrative units. His own conclusion on this point 'is that both efficiency and effectiveness require the size of each unit to be determined by the area and population which . . . can most conveniently and economically be served by a district general hospital.'

Senior's arguments are much more positive and convincing than those of the majority report, and he makes out a strong case in favour of local government control of a unified health service. He is completely opposed to the Green Paper solution of area health boards, which is the only other likely way of running such a service. In his favour is the positive point that by means of local government there could be much more public participation in and democratic control of the health service. The point has already been made that the present system, run almost entirely by appointed boards and committees, gives the citizen very little say in what happens, and as the control of central government grows there is a frightening danger that the service will become increasingly insensitive to the needs and wishes of the patients. The delivery of medical care is an intensely personal experience and the frustration which patients feel about the remoteness and bureaucratic nature of much of the service is reflected in the dramatic growth of patients' associations and other similar organizations. The health boards proposed in the Green Paper would reduce still further the element of participation and decentralized control, partly because all the health services would then be run by people appointed by the Minister (probably including, as at present, a very large element of representation by the medical profession), and partly because all the money for them would be supplied directly by the Treasury. Increasing power by either central government or the profession is not in the best future interests of the N.H.S., and the extension of local

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government control offers the best safeguard against this tendency.

Whilst not exhausting the arguments, enough evidence has been given to demonstrate that the proposal for a unified health service based on a revised system of local government is feasible, and is in many respects preferable to the alternative system of *ad hoc* appointed area health boards. One vitally important factor remains: the attitude of the medical profession. It was noted that the profession's opposition to local government control effectively secured the abandonment of the 1943 plan, and the general conclusion drawn from the B.M.A.'s role as a pressure group in the pre-1946 negotiations was that future developments are unlikely to occur unless the power groups within the profession approve them. Has the profession's attitude changed over the past twenty-five years? Has it approved the position adopted by the Maud Commission? The evidence at present suggests that it has not. Speaking shortly after the publication of the Maud report the secretary of the British Medical Association is reported as saying: 'we do not like the idea of any takeover bid by the local authorities of the health service.'<sup>12</sup> He was commenting on a special representative meeting of the B.M.A. which reaffirmed the profession's opposition to transferring the health services to local authorities 'either in their present form or in any modified form under which the services would be subject to the fluctuating and conflicting pressures of local government.'<sup>13</sup> Regional differences in the amounts of money spent on health, and consequently in the standards of care provided, were listed as being among the main dangers inherent in such a transfer. These points must be carefully weighed in the decision, but, as one observer at the annual B.M.A. meeting in July 1969 remarked, the rational case against area health boards coming under local government control was put with an irrational intensity.<sup>14</sup> For whatever reasons, the profession's antagonism towards local government continues and thus represents a major consideration in the debate about the future. It is impossible at the time of writing to forecast the organization and structure of the N.H.S. in the last quarter of the century. Either local authority health committees or area health boards are possible (and indeed it is also possible that

there will be no change) depending upon the relative political strength of the protagonists. All that we have been able to do is to outline the issues and describe the positions of the contenders.

We have discussed the issues involved in the organization and administration of the N.H.S. in some detail because they underlie many other contemporary problems in the service. A second important question is that of co-ordination, not between the branches of the health service, but between health and other social services. The recent tendency has been to define an increasing variety of social problems as the legitimate concerns of the health services. The distinction between the bad, the mad and the sick is becoming ever more vague. The Seebohm Committee on the Local Authority Personal Social Services,<sup>15</sup> which reported on the same day that the Green Paper appeared, wrote: 'medicine and social work share responsibility in the field of disturbed personal relationships and social maladjustment. They are both much involved in helping with the consequences of poverty and deprivation.' The unification of the National Health Service at the local level (whether or not under local authority control) to serve the same population as the other social services has the potential for better care for patients, and in particular the G.P. should be better able to function as the leader of a community health team. At central government level the process has been taken even further with the creation of the Department of Health and Social Security, and the appointment of a Secretary of State for Social Services (who is also the Minister of Health within the World Health Organization definition) to provide a permanent and powerful voice in the Cabinet on all aspects of the social services, including health. Events seem to be working towards the functional and administrative co-ordination of health, welfare and social services. But the Seebohm Committee's main recommendations, concerned as they are with the scope of the local authorities' functions, are much more consistent with a pattern of local government than of *ad hoc* board control of the health service.

At the heart of the Seebohm Report is the recommendation that the major local authorities should set up a unified social service department, with its own principal officer who would

report to a separate social service committee. The new department would assume responsibility for virtually all social work done by local authorities, and also for most of the welfare-oriented services now provided by local health departments. The aim in creating such a department is to simplify the processes by which people with problems are referred to the proper sources of help, and to eliminate the present situation in which up to half a dozen different social workers from different agencies might be working with one family at the same time. The Seebohm Committee did not specifically consider the G.P.'s role in all of this, yet the family doctor should in many ways be the central figure in the network of social help, for it is to him that many people still turn for general non-medical help,<sup>16</sup> and it is consequently he who probably knows more about the social problems of an area than any social worker. The growing recognition of the doctor's role in the network of community services is reflected in the new directions of medical education<sup>17</sup> and in the increasing tendency to regard him as the leader of a team which ideally includes social work skills.<sup>18</sup> The family doctor service will necessarily work closely with the new 'Seebohm departments', and the location of a unified health service within a revised system of local government offers the simplest administrative arrangement. The creation of area health boards, on the other hand, would tend to perpetuate the division between social work and medical care – a division which would be 'at least as serious as the present divisions within the National Health Service.'<sup>19</sup> It is theoretically possible to overcome this objection by transferring not only the health services but the whole complex of adult and child welfare services from the local authorities to the health boards,<sup>13</sup> but such a solution was flatly rejected by the Seebohm Committee, and would probably gain little support if it were put up as a concrete proposal. If in fact health boards are chosen as the administrative system then it is important, as the Maud Commission pointed out, that the boundaries of the boards should be co-terminous with those of the new main authorities, and that local authorities should appoint a substantial proportion of the members. The problem of the best size of local government units and of health authorities must however first be resolved.



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Any consideration of the future of the National Health Service must also take account of the question of financial investment in the service. In its first full year the service cost £455 million. In 1953 the Guillebaud Committee was set up partly as a panic response to fears about the spiralling cost of the service. By 1968 the service was costing more than three times as much as in 1953, and was consuming about 1 per cent more of the national income. Yet current financial fears are largely about underspending. In part this reflects the consequences of the starvation of capital investment in the service: no new hospitals, for example, were built in the decade following 1948 and capital expenditure in health has always and still does lag far behind education, which is the other major social service that is saddled with a legacy of Victorian stock. In part, too, the fears stem from a realization that, compared with many other developed countries, Britain's rate of expenditure on health services is low and is rising more slowly than income.<sup>19</sup> Moreover, the one constant factor in planning social policy in a welfare state is that although costs will inevitably increase, money will continue to be tight. On the one hand it has been estimated that an increase of 54 per cent in the volume of current expenditure on the N.H.S. will be needed between 1960 and 1975 to meet the needs of an increasing population and to provide higher standards of care;<sup>20</sup> on the other hand the Green Paper made it clear that no form of organization could be countenanced which would increase the overall cost of the service. The specific point about a nationalized service that is mainly free at the time of use (only about 5 per cent of finance comes from direct charges to patients) is that it releases what is virtually an unlimited demand into a situation where it can only be met by a limited supply;<sup>21</sup> and it is this frustration of normal market constraints, coupled with the lack of adequate capital investment, that is at the root of many of the service's major problems.

Two related issues are involved: do people really want to pay more money for a better service, and if so how is the extra revenue to be raised? The answer to the first question is probably that they do, but it is equally likely that such sentiments are based upon unrealistic assumptions—such as that the extra money could

be raised by cutting the defence budget. The question is further complicated by the political issues that are involved, and by the uncertainty on the part of the medical profession as to what kind of system they would prefer. The extreme solution would be to turn the whole system over to private practice, with appropriate safeguards for the poorest sections of the community. This would mean that, in a very direct way, the nation would get the kind of medical care that it is prepared to pay for, but it would destroy the concept of a National Health Service, and in fact this solution is not extensively canvassed. Short of this extreme there are three possible methods by which extra revenue might be raised. The first involves an extension of the private market, and the growth of a partnership between public and private sectors. This principle is well established in other social services (notably housing and education), and its proponents argue that it should be extended to the health service also. At present only about 5 per cent of the population buy their medical care privately, but it has been estimated that the potential is as high as a third.<sup>22</sup> It is argued that private resources would relieve the health service of some of its current burden and that the available money could be used to greater advantage. The second possible method of raising extra revenue depends not upon an extension of the private market, but on increased charges to patients within the state system. Certain services have always been chargeable (again with various methods of reimbursing poor patients) and certain others, notably charges for prescriptions, have had a chequered and politically stormy career since 1948. There remain, however, some items of service that have never been charged, and it is argued that these should be exploited as further sources of money. A charge of half-a-crown per G.P. visit, for example, would gross about £26 million per annum, and charges for hospital stays and visits by consultants would yield about £30 million each year. Against this argument the current Minister (Mr R. Crossman) has commented that, even if they were developed to the full, charges could never provide more than a minor auxiliary support to other forms of finance, and that they would bring appalling administrative problems.<sup>23</sup> The third possible method of fund-raising is more revolutionary – a substantial increase in contributions, with employers shoulder-

ing a much larger share. At present only about 10 per cent of the cost of the N.H.S. is paid through flat-rate contributions, and this is much lower than in many European countries. Moreover, in France, Italy and Sweden the employer's share of the contribution is about 70 per cent, and there are good arguments to justify this high proportion: employers have an interest in securing quick and efficient treatment for their employees and in any case if the N.H.S. ceased to exist many would probably contribute to private schemes as some do today on behalf of their employees.

Each of these three methods will probably be tried in the future, although once again much depends upon how the service is to be administered. If it is brought within local government control then even more radical methods may be created. The Maud Commission, for example, in discussing the future of local government finance, considered a variety of new local taxes which, supplementing the traditional rates system, could give local authorities more money to meet their new roles. However, the health service is such a large and costly undertaking that it could never be financed entirely out of local revenues, and it is likely that one of the central problems in the future financing of the service will be that of reconciling the continuing independence of local government with continuing and increased support from the Exchequer.

The last of our themes of change in the health service concerns the role of the generalist in a technologically specialist society. What is the contribution of the general practitioner in the new order of things? The tendency since 1948 has been to define the G.P. as the poor relation of the medical profession, lower in status and expertise than the consultant, and peddling a wide range of medical and pseudo-medical skills (for many of which he has not been properly trained) in somewhat primitive and isolated conditions. But general practice has been evolving with the health service and is coming to be seen as a speciality in its own right, concerned with the elements of community health. The Gillie Committee on the work of the family doctor (1963)<sup>20</sup> cast the G.P. in the role of 'co-ordinator, mobilizer, director, stage-manager and leader of community care',<sup>1</sup> and the 1968

Green Paper provides at least an administrative framework within which the family doctor can fulfil the role. Some medical schools have responded to the trend by providing specialist courses in general practice and the graduate now about to enter the field is a very different animal from the older generation of G.P.s. In future we can expect a 'continuing need for a first-line preventive, diagnostic and therapeutic service' dealing with 'the total medical needs of the patient' and where necessary referring him to the appropriate specialized services.<sup>8</sup> General practice will become more rather than less important, but, as the Todd Report remarks, the conditions of general practice will change. The single-handed practitioner will give way to group practices of perhaps a dozen or more members, and the health centre movement, in close association with hospitals, will at last come into its own. By 1978 there should be 400 health centres in England and Wales.

The traditional tools of the G.P. will be supplemented by computers and automatic equipment; health centres, for instance, will be linked to computerized screening centres and central record banks. The doctor himself will become a team manager, directing the work of nursing and social work staff. Far more use will be made of ancillaries and auxiliaries in all fields of medical care. And so on. The precise form that these changes will take depends largely upon the kind of administrative structure that is created, but what does not seem open to question is that the family doctor service is about to enter a new era of medical and social significance.

The National Health Service is on the threshold of its biggest upheaval since 1948, and we have tried in this essay to present some of the major issues that are involved and to consider some of the possible consequences of alternative solutions. The discussion has been almost entirely in terms of administrative convenience, political feasibility, and so on, and it may seem remarkable that almost nothing has yet been said about the patient – who is, after all, the reason for the existence of a health service in the first place. There is a considerable danger that the best interests of the patient may be brushed aside in the negotiations. To some extent this happened in the discussions leading up to the

1946 Act, for of all the participants ranged around the negotiating table none was a direct representative of the consumer. And in the current debate the questions which the patient would most like to ask are often not heard. Will waiting times for elective surgery and queues in outpatient clinics diminish? Will people feel more satisfied with the standard of care they get? Will the 'neglected' groups – the chronic sick, the mentally handicapped and geriatric patients – get a better deal? Will patients with both medical and social problems really find help in a single building or office? Will there really be a chance for the individual to be heard against the growing bureaucracy and central control of the service?

The answer to some of these homely questions will probably be 'yes', but the importance in asking them is that they divert attention beyond the formulae of administrative structures to the people who will operate them and work in them. The informal systems will probably be as important as the formal ones in determining what kind of health service we get in the latter part of the twentieth century. And here the doubts creep in. The attitudes of the medical profession towards employment in a state system have always been ones of suspicion – of the service itself, of the politicians and civil servants who run it and of change in their own working procedures. Will these attitudes really change? Will the profession spend less time on securing for themselves the most privileged position of any class of employees in the country and more time on securing the best service for their patients? How will G.P.s react and adapt to their new role as team leaders, working much more closely than hitherto with the welfare and social services? The kinds of area health boards envisaged in the Green Paper, if created, would certainly rationalize the allocation of resources, for example between institutional care in hospital and in the community, but would they substantially affect the habits and attitudes of providers and users? Will people really use the new social service departments as the Seebohm Committee hopes, or will they continue (as they do now) to take many of their personal and social problems to the family doctor? How will the new multi-purpose social workers fit into health centres and large group practices? Again, will G.P.s

really become more closely involved in the work of the hospitals, and will the status distinctions between family doctors and hospital consultants, which have confounded the profession since 1948, really be eased by placing both groups in the same administrative structure? The answer may be 'yes', if the health centres develop into hospital satellite units and if the work of the G.P. becomes more clinical and less social, but this is unlikely, and what in any case would then happen to his traditional responsibility in guiding patients through the complex of hospital and specialist care? The more closely the family doctor becomes identified with the hospital the less chance the patient may have of getting a truly second opinion. Herein may lie the danger of transferring the clinical services which are at present the responsibility of the local medical officer of health (routine assessment of the well baby, the school child and the expectant mother) to the G.P., for the patient will then have to look to the single, huge G.P. - hospital complex for all his medical needs. Again, we may ask whether the district general hospitals of the future will be any better situated than the hospitals we now have. There is nothing in any of the current plans to suggest that they will get much more money than at present or that the static and hierarchical nature of them will change. Will they really become less forbidding and mysterious places? Will the lack of public awareness about the serious plight of the hospital service really improve? Will the stranglehold of central government and its appointed boards really give way to greater local enthusiasm and participation in the service?

We have concluded this essay by asking a lot of questions, and that is not accidental. The next few years will be crucial for the future development of the N.H.S., and it is important that the questions raised by the Porritt and Seebohm Committees, the Green Paper and the Todd and Maud Commissions are fully discussed by both public and experts. For together they will change the pattern of medical care for the first time since Beveridge and will determine the structure and impact of the National Health Service for several decades.

## POSTSCRIPT

Within the space of a week in February 1970 two Government documents were published which contain strong hints and legislative proposals about the central questions discussed in this chapter. First, the White Paper on the Reform of Local Government in England, modelled very closely on the Maud Commission's recommendations, clearly stated the Government's view that the National Health Service could not be unified within the new system of local government. One week later the second Green Paper on the Future Structure of the National Health Service finally confirmed the Government's intention to create area health authorities, with boundaries that will generally match those of the new unitary and metropolitan local authorities, but which will in no way be part of local government. The two main reasons given in the Green Paper for the decision to divorce the health service from local government are first, and most significantly, the belief of the medical profession that clinical freedom can only be preserved in the service if administered by special bodies on which the professions are represented; and secondly, the insufficiency of independent financial resources available to local authorities to enable them to assume responsibility for the whole health service.

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## Pensions Reform

*Sir John Walley, K.B.E., C.B.\**

There is a tremendous policy in Social Organisation. The need is urgent and the moment ripe. Germany with a harder climate and far less accumulated wealth has managed to establish tolerable basic conditions for her people. She is organised not only for war, but for peace. We are organised for nothing except party politics.

Churchill writing to Asquith (December 1908).

ASQUITH must have smiled somewhat wryly as he read these words introducing the ambitious ideas of his young President of the Board of Trade, of which comprehensive social insurance was only a part. What, he must have thought, about the scheme of old-age pensions with which, earlier in the same year, he had hoped to fill the sails of a Liberal Party in search of a programme by catching the 'winds of change' in respect of Poor Law reform and, thereby, thought to bring to an end thirty years of seemingly fruitless argument, in and out of Parliament, between those who favoured State pensions on a contributory insurance basis and those who sought them as a non-contributory non-means-tested badge of citizenship? Had he not gone out of his way to explain to his Cabinet, and afterwards to Parliament, how much more substantial would be the benefit to the old people of this country from his 5s. a week for the over-70s, means-tested though it was, than had yet come to the old people of Germany from the great schemes of earnings-related State insurance on which Bismarck had launched his country twenty years before?

Churchill was no doubt being unfair in ignoring the very real political difficulties – absent from the German scene – which had

\*The author was Deputy Secretary, Ministry of Pensions and National Insurance, from 1958 to 1966. Prior to that he was Under Secretary in the Ministry of National Insurance. He read mathematics, economics and political science at Oxford, and entered the Ministry of Labour in 1929.

deterred not only Asquith but his predecessors from taking up the idea of State insurance for pensions. Nevertheless it is a sad reflection on our political capacity that, while the rest of the world has moved on, we should still be without a clear national answer on the fundamental issue separating Asquith and Churchill sixty years ago. Are we, with the former, primarily concerned to bring help to the needy old; or do we, with Churchill, attach at least as much importance to the creation of machinery through which, by their contributions and with the help of the State, the great mass of people will be put above the need for such assistance when they are past work, and thereby acquire a new incentive to save for old age? The peculiar difficulty which these conflicting aims present for our politics is that we are dealing with something which may take a working lifetime to build up and which will be our support, sometimes the only support, during the last fifteen or so years of our lives. Obligations and expectations of this kind cannot be changed easily or cheaply. They will outlast many Parliaments and even, perhaps some political parties. Pensions are an unhappy subject for political partisanship. It is one of the misfortunes of our present situation that they have been allowed to become so.

Churchill's admiration for Bismarck's achievement and his seeming doubt about the adequacy of the Asquith approach have both been justified by history. The impressive social insurance provisions which are now a major feature of the German way of life are clearly recognizable as the direct development of the pioneering schemes of 1889 – and this despite the utter collapse of the German State and the destruction of its currency in two world wars. The contrasting history of Asquith's old-age pensions should be particularly instructive for those who are persuaded that objections to means-tested benefits can be overcome by procedural changes. The popularity of the 1908 old-age pensions was their undoing. Paid through the post offices and administered by the local Customs and Excise Officer, their most gentlemanly means-test deterred none from applying. Yet, within a few years, the test was being condemned as 'the thrift disqualification' in all political parties – not least that which Asquith himself still led. In 1919 its complete withdrawal was

recommended by a strong inter-departmental committee which made the interesting point that the means-test was obstructing the development of workers' pension schemes. By the 1923 Election its abolition had become a top social priority. The first Labour Government strained their Budget to make a substantial relaxation of the means scale (except in respect of earnings) but found they could get no further so long as their Party remained committed to its non-contributory principles; and it was left for the Conservatives to surmount this hurdle on their return to power after the 1924 Election. For small additions to the existing National Health Insurance contributions, the 1925 Contributory Pensions Act, for which Chamberlain and Churchill assumed responsibility, promised the immediate abolition of the means-test for all insured pensioners and offered the insured the further bait of the reduction of their pension age to 65 within two years. That this was a Party measure has, hitherto, been assumed from the attack mounted on its contributory basis by the Labour Party traditionalists. It had, however, been devised by a very strong committee of officials, then reviewing social security issues generally under Sir John Anderson, whose advice Baldwin would seem to have sought privately, in the last days of his previous Administration, as to how far he could safely go in responding to pressure from Chamberlain and others in his Cabinet for an outright commitment to abolish the 'thrift disqualification'. Nor is there now any real doubt that some, at least, of the Labour leadership had been preparing to 'sell' the officials' plan to the Party faithfuls when the 1924 Election supervened.\*

In their 1924 Election manifesto the Conservatives had looked forward to the early introduction of a contributory scheme offering the prospect of pensions 'from an earlier age and of a *substantially larger* amount'. I can now reveal that this pledge was based on an altogether more ambitious and forward-looking plan of genuine social insurance on which Chamberlain had been

\*The knowledge of this seems to have been largely responsible for the haste and secrecy in which the 1925 Act was prepared. Even the Cabinet had not been told of its existence before it came forward with the rest of the Budget measures. Yet Churchill had, at an earlier stage, expressed a strong wish for wide consultations aimed at securing all-Party support and his reluctance to proceed without this.

working while out of office. This had none of the immediate attractions of the officials' proposals, nor could it have been mounted so quickly. But a combination of the two plans might have avoided most of our subsequent difficulties in the pensions field.

The 1925 Act had seemingly disposed of the 'thrift disqualification' issue in the field of State pensions. It had also, by its contributions, helped Ministers to contain the rising Exchequer cost of the Asquith pension and provided them with a new argument in resisting political pressures for its enlargement. But it provided no protection against the increasing respectability, as well as the better standards, of Poor Law supplementation of pensions after Chamberlain's 1929 local government reforms. The outbreak of war in 1939 compelled some further action for pensioners, if only to relieve local authorities facing a rapidly increasing burden. The T.U.C. and the Labour Party had long been pressing for a substantial increase of the 10s. pension on a retirement basis and now offered their backing for higher contributions to pay for this. On this basis the local authorities could seemingly have carried on; but the Government resisted any increase of the pension and, instead, forced through legislation to give the previously established Unemployment Assistance Board the considerable task of taking over in war time the whole business of supplementing pensions. Why a Government headed by the sponsors of the 1925 Act should, even as a temporary war measure, have insisted on reverting to such an Asquithian approach to State pensions is a mystery still to be unveiled. Even more strange is the reduction of the woman's pension age to 60, included in the same Act.

As the war went on and the 10s. pension remained unimproved, the cost of supplementation rose rapidly. The Beveridge Report used brave words about the need for insurance to be better than assistance but his proposed method for achieving this in the pensions field was an obvious non-starter. In 1946 the new Labour Government tried to restore parity by a 'once for all' increase of the insurance pensions to what appeared to be the Beveridge rates, but the Assistance Board standards had gone ahead of Beveridge and the operation left large numbers still being supplemented. During the next five years, assistance went further

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ahead while the insurance pensions stayed at their 1946 rates. Since then there have been many upward adjustments of both; there have also been continuous efforts to overcome reluctance to claim supplementation, culminating in the Social Security Act of 1966. In the result, while we have succeeded in providing for those now old on a standard which is relatively high as well as acceptable, we have drifted further and further away from the Beveridge social and economic objective of an insurance pension which would only need to be supplemented in the really exceptional case.

The publication of the Labour Party's national superannuation proposals in 1957 brought into our politics, for the first time, the idea that earnings-related benefits and contributions might have a part to play in British social insurance. The Conservative Government's use of the principle in their 1959 graduated pensions legislation failed, however, to enlist the Labour Party's support. The present Government has, accordingly, until last year financed its pension and other flat-rate benefit improvement without the use of the graduated pension scheme – despite the relief to lower-paid workers' contributions which it had been one of the objects of that scheme to make possible. A reversal of this policy has now enabled a large part of the cost of last year's pension and other increases to be covered by an expansion of the graduated scheme. This has brought into contribution liability earnings between the old pensions ceiling of £18 a week and the £30 fixed for earnings-related short-term benefits in 1966. And it has been accompanied by a Government promise to give in future graduated pensions (including those earned in the past) the protection against loss of value which has hitherto been reserved for flat-rate benefits. This important promise would seem to compel a major reconstruction of the graduated pension scheme, even if the present Government should not succeed with their legislation based on their new national superannuation proposals, published as a White Paper in the beginning of last year and designed to be brought into effect in 1972. It is upon these proposals that discussion of future British pensions policy is now concentrated.

Since 1966 (when the Asquith scheme was at last wound up –

such is the political longevity of pension promises we have had a single system of means-tested payments under the supervision of the Supplementary Benefits Commission. Now every married pensioner who is a householder is guaranteed at least £8 7s. a week *plus* the full cost of his rent and rates. In addition, he will have 'disregarded' (1) up to £2 a week earnings of himself or of his wife and (2) various other resources within an overall limit of £2 a week of which the most important is the first £1 of any private pension. To set against this we have the standard National Insurance pension which, for a couple, is now £8 2s. a week. Even if one puts the rent and rates of the couple at no more than £2 10s. a week, the gap between the two standards is £2 15s. a week and, unless there should be a drastic reversal of policies which have been pursued by all governments since 1946, we must expect that this gap will go on increasing at least as fast as the general movement of earnings. Allowing for the £1 pension 'disregard' and the higher rents and rates which present workers will carry into retirement, only an occupational pension of £5 a week or so would now seem to offer a reasonable prospect of doing without supplementation on retirement and then, perhaps, only for a few years. This is the current measure of the 'thrift disqualification' in our State pensions and, allowing for changes in earnings and pension levels, it would seem to be very much what it was when contributory pensions were introduced 45 years ago.

The British system of State pensions has, since 1925, been unique in its determination to bring within a single system of administration and popular respect (a) a guarantee, backed by the general tax system, to every citizen of a minimum standard of livelihood in old age; (b) a scheme of 'insurance' pensions paid without means-test, in return for contributions exacted compulsorily during working years. The primary object of (b) has been to prevent people – not just workers but all citizens – having recourse to (a) in old age; but bound up with this from the start has been the further objective of providing contributors with a strong base, free of means-test, on which to build more for themselves. A flat-rate scheme which is universal in its coverage meets both objectives, but only if its rate is high enough; despite the

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ways in which pension can be increased (for deferred retirement since 1948, and for graduated contributions since 1961) the scheme is still widely thought of as producing *the* pension.

This dualism in the British pension system creates, as I suggested in the beginning of this article, a political tension which is a continual threat to the stability of the whole system unless it can be resolved; and, as Beveridge saw, it can only be resolved in one way which makes sense; namely, by building up the contributory pension to the point where the means-tested alternative becomes unimportant to ordinary people. If no politically acceptable way of achieving this can be found, we must realize that the alternative may be the withdrawal of political support for the contributory principle by the general mass of workers, leaving the general taxpayer to foot the whole, instead of only a comparatively small portion, of our present State pensions bill amounting to something like £2,000 million a year. But, as the Government has made clear in their 1969 White Paper, any threat to the State system of insurance pensions is also a threat to the occupational pension provision made by, or for, modestly remunerated workers, the expansion of which during recent years has done so much to support the nation's need for more investment, and especially for investment based on genuine personal savings. So far this threat has been seen only as one to further expansion, but it could just as easily show itself in demands for the winding up, or cutting back, of schemes and in individual requests for the return of contributions for spending during working life, all of which imply disinvestment.

How real are these threats? They would never have arisen if we, as a nation, had been able to cash in on the enthusiasm for the insurance principle engendered during the war by the Beveridge Report, and been able to show a clear prospect that the national insurance pension would make recourse to what was then national assistance in old age something only for the exceptional case. That enthusiasm has evaporated but we have, nevertheless, been living with a situation in which the means-tested provision has been substantially better than the basic insurance pension ever since supplementary pensions started in 1940; it may well be asked why our present ramshackle pensions structure should not

hold together for a few more years and give the politicians time in which to resolve their differences and those of the various powerful interests in this field. I should very much like to believe that we can count on this because, now that we have the Government's new national superannuation proposals, it is clear that there must be a substantial further period of debate and uncertainty before we can hope to arrive at anything like a national solution of our pension problems. There are, however, factors in the present situation which point to a greater need for urgency. First, there is the actual size of the present gap. I have suggested that, in the case of a married couple, this must now be put at something like £5 a week; as a measure of its significance, we have the evidence provided by the government that the total non-State resources of most pensioners are quite small and also their estimate that, of all occupational pensions being paid in 1967, 40 per cent were for less than £2 a week and 60 per cent for less than £4 a week. We are also told that the growth of occupational provision for workers is now meeting with resistance based on a better understanding of the value of the supplementary pension.

An important new factor may be the psychological effect of the concentration of political and pensioner interest on the means-tested approach to provision for old age brought about by the Social Security Act of 1966, which has gone about as far as it is possible to go in the direction of making the supplementary pension as respectable, as understandable and as easy to get as the insurance pension itself. Even the new name 'supplement' may be thought to imply that it is a part of one's insurance rights. Such ideas must now be reinforced by the hard fact that nearly a third of all national insurance pensioners qualify for a supplement. Actions speak louder than words and people are much more likely to judge the real intentions of government from what they see in their daily lives and their own families than by political promises, even when translated into legislation. In terms of the parents and elderly relatives of today's workers, the proportion with supplements must already be more than a third and could be very sensitive to any further widening of the gap. The ordinary worker's acceptance of a means-tested pension as the normal provision for old age may, therefore, not be far off; if so, it is



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likely to express itself, as it has successfully done in Australia, not in support for contributory State pensions but in demands for much bigger 'disregards' of personal resources under the means test.

I must leave the reader to judge the strength of these various factors for himself. For myself I find it difficult to escape from the conclusion that the nation will sooner or later be forced to accept what may be a drastic reduction in its supplementary pension standards unless our present ambiguities can be resolved in an agreed programme for the planned expansion of contributory pensions aimed primarily at securing the maximum possible saving in supplementary pension expenditure in ways which will neither provoke destructive counter-pressures for further supplementary pension improvements, nor increase the burden on those with low incomes who stand least to gain from such a programme, and whose flat-rate contributions have been almost recklessly increased in recent years. A programme of this sort cannot be electorally popular. The better off must find themselves paying more, either as contributors or as taxpayers, while the lower paid will still be inclined to say 'thank you for nothing'. Lloyd George made the same point when contributions for pensions were first introduced, but added that they were nevertheless necessary to preserve taxable capacity for social needs which could not be met in this way. This lack of political appeal could be a blessing in disguise so long as it does not promote inaction.

The Government in its new national superannuation proposals would seem to have had divided aims. On the one hand it is seeking to use the earnings-related (graduated) principle to meet the threats which I have been discussing, and set us back on the road to realizing the Beveridge idea of a basic State pension free of means-test in all but an insignificant number of cases. One may argue about methods but the objective is one which must command general support. The Government's second aim is directed at the employed; it seeks, through compulsory earnings-related contributions, to bring about as quickly as possible a situation in which they will be provided with State earnings-related pensions (or the equivalent under an occupational pensions scheme, within limits laid down) going well beyond the

requirements of their first aim. This part of the Government's proposals may or may not be an improvement on the Beveridge plan.\* I express no opinion. What is inescapable is that these wider aims have made the whole programme party political; so that if it fails to secure acceptance pensions reform may be back in the melting pot for a further period of years, after which solutions now available may have become inadequate. In the rest of this article I propose to discuss principles which might have guided the reform of our existing pension structure if the Government had been prepared to reserve for separate discussion its desire to see a much wider participation of the State in the provision made for the old age of present workers.

I start from the point that reform must have the widest possible national backing and must be capable of retaining that backing even though argument continued on other issues. Secondly, the arrangements must be a lot easier on the lower paid than they have been in recent years; but this should be achieved by the intelligent use of support by the general taxpayer, not by making insurance contributions themselves a form of re-distributive taxation; thirdly, if it is to last, the scheme must be demonstrably fair between the different generations of contributors and pensioners and within the field of pensioners, present and future ones; fourthly, it must give the certainty that its steady development will put the great mass of younger workers above the need for supplementation in their old age; finally, its structure must give confidence that it will not be deflected from its purpose by short-sighted political action.

The credit which any Administration may hope to get from such a programme can only be for their practical good sense and concern for the future in dealing with a very difficult set of problems; and perhaps this is as much as anyone has a right to expect in political life. But there will be many, whose judgement must be respected, who will question whether the drift towards reliance on supplementary pensions as the normal provision for old age can be arrested and turned back by *any* programme of

\*Beveridge himself would probably not have regarded it in this light. 'Management of one's income is an essential element of a citizen's freedom' is a quotation from his Report. (Para. 21.)

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steady development from our present base. They may suggest that something altogether more spectacular is required for success. I do not believe that, in our complex situation, this approach can make political sense. My reasons will perhaps best emerge from an examination of a number of such ideas:

(1) A straight once-for-all increase of the national insurance pension to the supplementary pension level, in the spirit of what was done in 1925 and attempted again in 1946. This would, of course, cost a lot of money; but the decisive objection is political. Before 1948 to be a pensioner was identified in the public mind with having been a modestly remunerated, probably manual, worker all one's life. For such, a general lift was politically acceptable. But the scheme has now been all-inclusive for twenty-one years. The idea of raising large extra revenues today simply in order to increase the pensions of those who, by definition, are not poor, and many of whom must be very well off, does not strike me as a feasible political operation.

(2) Beveridge in his Report rather naïvely proposed a variant of (1) in which the insurance pension would be increased to the means-test level in ten pre-determined biennial stages. This met with no political support at the time and would clearly be even less politically sustainable than the crash programme in (1).

(3) A still more spectacular proposal, which has recently met with some rather surprising support, is to dispense with the insurance scheme altogether and provide instead a tax-financed citizenship pension high enough to absorb most, if not all, present supplementary pension entitlements. Again, this would be costly and again the decisive objections are to be found elsewhere. They are:

(a) As in (1) and (2), almost all the additional money would go to increase the State's payments to people who were not poor, while those who had proved their poverty would get nothing.

(b) There would be the most bitter complaints, absent from the previous proposals, that people were losing all the advantage they had expected to gain for their past payment of insurance contributions; those who have wrestled with the problem of differentials in industry should appreciate this point.

(c) The proposal is often made to depend on an identification of insurance contributions with taxation, made by some modern economists, which I believe to be profoundly false. The link between the individual's own contributions and his benefits has always been seen, not only here but all over the world, both as an encouragement to pay contributions and as a restraint on political demands for better benefits at somebody else's expense. Nor do I see how ear-marking a particular source of revenue or inventing a new tax to pay for the pensions can really help.

(4) The next proposal is more subtle and has the great attraction of, seemingly, not costing anything initially. Those on pension, whether supplemented or not, would continue to have their payments increased, more or less in line, so that there would be no disturbance of relativities in the field where political pressures will always be strongest. But each year's 'new' insurance pensioners would get an additional lift in their basic pensions over those of the preceding year until all 'new' pensions were being awarded at something like the supplementary pension level. This is, in fact, the national superannuation proposal for self-employed people. It is also, though less obviously, how those working for employers will be dealt with in its benefit formula which is geared to produce, by stages over twenty years and on very favourable terms, a pension equivalent to the supplementary pension for every man whose earnings come to no more than half the general average. I believe that the Government has been wise in refusing to risk, among those already retired, any disturbance of the balance between an individual's insurance and supplementary pension entitlements established at the point of retirement. But what is one to think of an arrangement under which there will arrive each year in the pensioner field some 700,000 newcomers, virtually all with substantially higher basic pensions than those of the previous group? And in many cases the new arrivals will not have been paying as high contributions as their predecessors. Strains of this sort within a reformed pension scheme are particularly dangerous because they can so easily force concessions to existing (older) pensioners which must bring in question the supplementary pension standard to which the whole structure is geared. We should then be back where we

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started but at a level which might be beyond the capacity of an already strained economy, as well as the willingness of younger people, to support.

(5) The previous ideas have all been concerned to secure a quick improvement in the basic non-means-tested pension level. I now turn to a proposal which would make this result incidental to a much wider operation in a scheme of earnings-related pensions whereby the whole structure of benefits based on the contribution record would be brought forward, so that, after a limited term of years, every new pensioner would have the same entitlement as if he had contributed for a lifetime. Since the Government has incorporated this idea (with a twenty years maturity period) in their new pension proposals, it needs particularly careful examination. In the past this kind of thing has proved acceptable in the flat-rate scheme (but only as an Exchequer liability). The device has also been used in launching earnings-related schemes in other countries which, having no competing call on their resources, have been embarrassed by the prospect of collecting enormous sums in contributions for years to come without any substantial outgoings on pensions; we have seen how Asquith, sixty years ago, criticized the funded German scheme on this account. But Ministers here will never be embarrassed by the absence of claimants for the immediate spending of any surplus in the accounts of its pension scheme. The political problem for them will always be that of preventing the build-up of future pensions being undermined by pressures on behalf of existing pensioners. The Government has, indeed, acknowledged the strength of such pressures by adopting, in its new version of national superannuation, 'pay-as-you-go' finance, about which I shall have more to say later.

Given a choice I should expect public policy to favour the young rather than the middle-aged contributor in a reformed pension scheme; on the two grounds that the young have greater family responsibilities and that they can so much more easily, by emigration, rid themselves of the heavy burden of supporting this country's old people. My conclusion is, however, that within the working population any kind of age favouritism must be political dynamite. The twenty years maturity period suggested in the

government's new scheme means that, from its start, every young man will pay two and a half times as much as a man then aged 45 or over, will pay for his pension\* – almost certainly in the end more than three times as much, because of the increases in the percentage level of contributions which are in prospect. This basic injustice between the generations will be much accentuated by the fact that the beneficiaries of the privileged treatment will not be the age-group's poorer members, who will still have to rely on supplementary pension when they come to retirement. They will be the better off (some of them very well off indeed) and they will, to a large extent, be people who already have the assurance of receiving substantial occupational pensions which their younger successors may never acquire because such rights will have been cut back for them, to take account of any bigger State pension.

The young are not the only ones who might resent this privileged treatment of the better-off middle-aged. A requirement of successful reform is to avoid, as far as may be, any suggestion that existing pensioners are being badly treated. What must be their reaction when they hear politicians talking of the high pensions which 'quick maturity' will soon be producing for (some) members of the new scheme? They would not be slow to realize that the bigger pensions could not have been paid for by the recipients' own contributions to the new scheme and would suggest that the extra money would have been better spent on them. Nor might they be far wrong in seeing it this way; the rapid growth of pensions expenditure which quick maturity is designed to promote must bring forward the painful day when a Government has to choose between withholding an expected general increase and asking for an increase in the percentage levy on earnings. Finally, there is the point that all these risks of political shipwreck would be run for the sake of an arrangement which, in terms of supplementary pension expenditure saved, must be about the least rewarding of all.

The practical question in politics is never just 'where do we go?' but 'where (and how) do we go from *here*?' and when, as in this case, the journey will be a long one, 'how can we be sure of

\* i.e. ignoring present scheme records, which will have been phased out over the twenty years.

## PENSIONS REFORM

keeping on course?' I believe that the reform of our present pension system, if it is to have a reasonable chance of success, must start from, and grow naturally out of, the present complex network of rights, obligations and expectations, and must never do violence either to our sense of what is fair or to the deep-seated feeling which has informed this country's approach to pensions from the beginning, that we are all in one boat together. My examination of 'instant' remedies for present difficulties points to the conclusion that it will not only be unwise to risk any disturbance of relativities now established between supplemented and non-supplemented pensioners, but also between present and future pensioners in their basic entitlements. This suggests that even in a fully earnings-related structure there will have to be retained a 'basic' amount of contributions which entitles one to something very like the flat-rate pension which millions of pensioners must go on receiving for many years to come. Because of this the choice between a fully earnings-related scheme and a flat-rate one with earnings-related addition is not a great political divide, but a technical matter; and the arguments do not point all one way. There is a tendency to confuse the issue with that of getting rid of weekly insurance stamps. The Government has made the excellent suggestion that the whole insurance contribution liability should be an annual rather than a weekly one, and I do not see why there should not be a universal obligation to make at least a minimum annual payment (direct or through the P.A.Y.E. machinery) except, of course, in cases of proved poverty. Nor, as I suggest later, is there any reason why this basic obligation should be as onerous as it has been.

It also follows that reductions in the need for supplementation can only safely come about now in three ways:

(a) By the identification of groups within the existing scheme for whom special treatment can be justified as removing or mitigating a *present* injustice; I make two such suggestions later.

(b) By additions to the basic level for which individuals qualify, either by paying bigger contributions under an earnings- (or income-) related scheme or by staying at work longer and earning 'increments'.

(c) Through membership of an occupational pension scheme.

## THE FUTURE OF THE SOCIAL SERVICES

All these ways of adding to the basic entitlement must be given their fullest scope and support one another if a convincing rate of progress is to be maintained towards the Beveridge objective of an insurance pension making the means-tested alternative unnecessary in all but the really exceptional case.

I will take first the question of occupational pensions and 'contracting-out'. Much of the ground here has now been covered in the Government's national superannuation White Paper. It would seem to be generally accepted that the essential requirement for a healthy development of occupational pensions, not restricted to the better-off members of the community, is a strong non-means-tested State pension. That such a pension cannot be made strong enough for the purpose unless it is, at least in part, earnings-related has been accepted since the 1959 Act which introduced graduated pension as an addition to the flat-rate. The plan of that Act enabled significant relief to be given to the contributions of lower-paid workers and has now been used again for that purpose by the present Government. The fact that it has not, seemingly, had any effect on the need for supplementation is only partly because it was not enlarged for so long. At least as important is the fact that both the record of contributions under the scheme and the benefit paid in respect of them could not be adjusted in line with the general movement of earnings or even prices. This limitation flowed inevitably from the contracting-out arrangements made for members of occupational pension schemes. The underlying idea, supported at the time by both the main political parties,\* was that any earnings-related expansion of the State scheme would be liable to conflict with provision already being made in good occupational pension schemes; and that, therefore, a choice must be allowed whether to come into the scheme or stay on the flat-rates and make the same additional provision independently. In practice, once the option had been taken up in a big way a crisis was bound to arise as soon as the State proposed to increase or change its earnings-related pensions or even alter its contribution liabilities. Must the State refrain

\*In their manifesto for the 1964 General Election, the Labour Party specifically endorsed this part of the 1959 Act.



from doing what might seem quite reasonable in its own field because the contracted-out schemes could not do likewise? Or must it face them with the choice between coming into line or losing their contracted-out status altogether? Or could it take the political risk of leaving those who were contracted-out without something which members of the State scheme would enjoy? The Actuarial professional bodies were quick to point out the difficulties for both parties of tying State action down in this way. They argued that no one could or should be excluded from the rights or the obligations of full membership in a State scheme; they also suggested that there might instead be a more limited option (since come to be known as 'abatement') by which, in consideration of a fixed monetary discount from each member's State contribution, schemes might undertake, in effect, to provide an equivalent amount towards whatever State pension might eventually become due to the member.

Although the present Government has made an abatement option an important feature of its new national superannuation scheme, it has not so far proposed to bring the contracting-out arrangements made under the original Act into line with the new policy. What might have seemed to be a major obstacle – the absence of machinery for collecting earnings-related contributions from those contracted-out – was removed in 1966 when earnings-related contributions were made general for short-term insurance benefits. These contributions have been allowed to count for pension as well; so that, since 1966, no one earning more than £9 a week has been altogether excluded from the scheme of graduated pensions. To cover a large part of the cost of this year's flat-rate pension and benefit increases, the Government has now substantially enlarged the graduated pension scheme, but without any corresponding enlargement of the right to contract-out. This development came after the Government's White Paper and has already forced an important modification of one of its proposals, with the result that the bottom has been knocked out of contracting-out as originally envisaged. The Government has now promised that all graduated pension to which title has been acquired in the past, or which may be acquired in future, will be treated as a part of the flat-rate pension

when increases are next being made. Whatever happens to the Government's own legislative proposals, abatement must now be accepted as the only practicable way in which special treatment can be given to occupational pensions in our State scheme. I assume, in what follows, that the change-over has been completed and that those previously contracted-out are liable for full earnings-related contributions and qualifying for extra pension benefits accordingly, except in so far as they may be covered by an abatement arrangement. There are, of course, snags even in the abatement concept. The ages of those concerned are a very important factor in establishing fair terms; so is their tax status so long as Chancellors persist in refusing tax relief for State, but not for private, pension contributions. Difficulties of this sort are, however, largely a matter of size and should not be serious in relation to the sort of State scheme I am discussing. As compared with the existing contracting-out arrangements, the new approach is much more helpful to those seeking to maintain and develop occupational pension schemes covering lower-paid workers and will thus give them their best chance of helping the State scheme in its task of reducing the need for supplementation in old age.

I have already explained why I consider it impossible to envisage a reformed scheme in which *everybody* is always advancing his or her pension rights beyond those of present pensioners; nor do I believe that this is at all necessary in order to arrive, or even to arrive more quickly, at our objective. To ensure that, in an earnings-related State pension scheme, the great mass of younger workers can confidently look forward to being above the means-tested level in retirement there is no need to take as one's starting point that statistical phantom – the worker with half-average earnings throughout life. In the real world people will expect to do better than this. My starting point must be the contributions required of all citizens to help pay for the flat-rate pension which binds past and present contributors together. For the rest, benefits and contributions must be earnings- (or income-) related. This has two enormous advantages. (1) It gives people the opportunity of paying more (and therefore qualifying for more) when they are doing well, and paying only the minimum (if they do not qualify for exemption)

when they are not. (2) One can then concentrate the Treasury's general subvention to the scheme on those with low earnings or incomes. This is a technical matter; but it means that for those paying graduated contributions the flat-rate benefit can be made cheaper than it otherwise would have been without depriving even the highest-paid contributors of 'value for money' in their total pension rights.

In these ways it should not be impossible to give even those whose prospects in life are modest the expectation of a substantial earnings-related addition to their flat-rate pensions, provided the contributions are recorded, as the Government now propose, in terms of the level of earnings at the time they were paid. This last is absolutely essential both to show that the pension will really reduce one's prospect of having to rely on the supplement in old age and to preserve fairness between contributions made at different stages of one's life. As will have been plain from my criticism of 'quick maturity' ideas, every contribution, revalued in this way, should count equally – any subvention to the lower paid being made in the basic pension contribution. This equality of treatment of all earnings-related contributions should extend to women as well as men. This is at present complicated by the fact that women are allowed to claim pension five years earlier than men. The 1959 Graduated Pensions scheme, nevertheless, managed to achieve equality between the sexes in the *value* of the extra retirement pension it provided in return for its earnings-related contributions.\* The principle also appeared to have the endorsement of the present Government when it enlarged that scheme last year without altering its pension formula. This makes it all the more regrettable that the current legislation reverts to the earlier National Superannuation proposal which was to extend the post-1940 sex inequality of the flat-rate scheme to the whole of our future provision for old age.

Earnings-related pensions must, of course, have the same protection against loss of value as that accorded to the flat-rate and

\*That the statutory rates are lower for women than for men is because they are for retirement at age 60. A woman who defers her claim until 65 gets much the same pension for her contributions as a man claiming at that age.

supplementary pension. My omission to say that they should be kept in line with the movement of earnings is deliberate. Doubtless this is what will usually happen; but there may be good reasons why, at particular times, a faster or slower rate of growth might be called for by general financial policy. As bigger insurance pensions begin to bite into Treasury expenditure on supplementary benefits, Ministers are bound to come under strong pressure to use the savings to raise supplementary pension standards. To protect Ministers from such pressures and to convince people that the scheme really will catch up on supplementation, there must, I believe, be an absolutely firm *statutory* provision to prevent supplementary pension standards (not forgetting the provision made for rent and rates) being advanced faster than insurance pension rates. So important is this point that the Treasury might be wise to pledge themselves, in advance, that such savings would be used to support the general level of pensions.

The present flat-rate contributions are, admittedly, too high for general enforcement in a universal scheme. They have been made to carry, not only the cost of the pensions to which they give title, but a substantial flat-rate Health Service tax and a share of the cost of past 'quick maturity' and similar concessions which, on the Beveridge scheme of finance, would all have fallen on general taxation. I have, however, explained how it is possible to reduce the flat-rate contributions for all who are in an earnings-related pension scheme while still confining the effective benefit of this to the scheme's lower-paid members. The Government has now proposed a rather different method of doing the same thing for workers within the P.A.Y.E. system. For the rest it would seem to have abandoned the struggle for a universal system and only proposes to enforce flat-rate contributions (at a higher rate) from self-employed people earning more than £11 a week. I am not prepared to abandon the search so easily. None of us is exempt from the risk of being poor in old age, and I believe that there is great value in the British idea of a universal citizenship pension for which we are all compelled to contribute regularly while we can. There is more to this than sentiment. The factors which have made the present flat-rate contributions so high will still be there

in a fully graduated scheme. One cannot get more than a pint out of a pint pot and if the scheme is to be made attractive to the lower paid without more help from the Exchequer it can hardly escape being a burden on those with higher earnings. They may well begin to ask why they alone should be carrying the cost of subsidizing the lower paid; more specifically, why the better-off self-employed and non-employed should be excused from making a contribution at least as big as their own. Nor may those with modest resources who would still like to keep up their title to the State pension be best pleased to see what they have missed by not being within the P.A.Y.E. machinery. The most hopeful line of attack on the problem would seem to be to extend the earnings-related principle to other groups. In the modern world self-employment is becoming more and more mixed up with working for an employer in all sorts of ways and in very many people's lives and it is, indeed, often suggested that present tax and insurance requirements give a positive incentive to many workers to make themselves technically 'self-employed'. It should, surely, now be accepted that a group whose economic and social circumstances vary so widely should neither be exempt from the obligation nor deprived of the advantages of earnings-relation in their State pensions. Other countries, including the U.S.A. and Canada, seem to have found no difficulty in bringing the self-employed within their earnings-related pension systems and, ten years after we embodied the principle in our own arrangements we ought not to be held up by 'administrative' difficulties in applying it more widely. I want, however, to go further and suggest that, if we are thinking of earnings-relation primarily as a means of strengthening our *social* security in old age, we ought to be examining quite seriously whether income rather than earnings is not the proper base for what could then properly be designated the graduated pension scheme. The idea would seem to solve quite a lot of problems including that of providing the present flat-rate pension on favourable terms to all sorts of people with small incomes (whether earned or not) without having to give the same treatment to the better off. Certainly, only on some such universal basis can the present refusal of tax relief on earnings-related contributions (which is, in effect, a selective increase in

the rate of income tax on the earnings in question) be tolerable. In such a universal scheme, the collection of contributions through P.A.Y.E. would still be possible and the abatement principle could then, presumably, be extended to include schemes of organized provision for old age by self-employed groups.

The Government has now made the ceiling for earnings-related contributions £30 a week for all purposes. This is very much the same as the one-and-a-half times average-earnings limit proposed for national superannuation. It seems to me to provide about the right base for the more modest kind of graduated pension scheme which I have been discussing. I deal later with the principles on which the actual rate of contribution should be fixed in relation to the benefit structure.

'Awful!' wrote Churchill in 1925 in the margin of a paper from the Government Actuary gloomily surveying the very heavy burden of old-age dependency which he foresaw must fall upon this country's workers at about the present time. Beveridge rightly argued that the problem could only be effectively dealt with if all who could were encouraged to stay at work longer. Unfortunately his recommendations were at variance with his principles. His suggestion that the State pension should not start to be paid until the contributor had actually retired was good, but his other idea that the insurance fund should try to save money thereby was positively retrograde as compared with the previous scheme of unconditional age pensions; it may be at the bottom of most of the continuing criticism of the retirement principle and of the earnings rule which goes with it. In the early fifties increasing concern about the burden of old-age dependency facing the country led to the appointment of the Phillips Committee, which favoured a substantial increase in the minimum ages for State pension; and of the Watkinson Committee which, more realistically and on better information, emphasized the value of positive inducements to stay at work longer, the need for flexibility in the age at which pension could be claimed and, above all, the importance of breaking the idea that the minimum pension ages of the State insurance scheme had anything to do with employment retirement practices. Despite all this concern and good advice, Beveridge's muddleheaded approach is still painfully

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evident in discussions of the retirement principle; nor, despite the mounting evidence that more and more workers are retiring (or being retired) earlier, does the Government now seem to have any belief that anything can be done about it.

The increments of flat-rate pension offered for postponed retirement have never, at any time since they started in 1948, matched the pension foregone and the extra contributions paid during the extension of working life.\* During all these years those who have been staying on at work have, in effect, been helping to pay for the pensions of those who stop work before or at the State's minimum pension age – usually because they can afford to do so. This basic unfairness has been greatly accentuated by the total exclusion of these increments from all the up-ratings of the flat-rate pension which have taken it from its initial 26s. to its present £5 a week. The 1959 Act's pension rates have, however, always given postponed retirement its full value. When the Government enlarged the graduated scheme and also promised its pensions the usual protection against loss of value, it only remained to bring the flat-rate increments into line. It is, therefore, most disappointing that the current legislation fails to establish the basic principles that no one shall be penalized in his pension for going on working; and that men shall not be treated worse than women in this respect. Yet the Government is working on the new and most disquieting assumption that 90 per cent will claim pension from the present minimum ages.

For those approaching their retirement in these inflationary days the prospect of being able to earn a very much larger State protected pension should be a considerable inducement to stay on. But neither this consideration nor the need for fair play in national insurance explain why I consider this reform to be so important. There is ample evidence to confirm that those who continue at work beyond minimum pension age are predominantly those who have little beyond the State pension to fall back on when they can no longer earn. As a group they are therefore particularly likely to have to ask for supplementation in their

\*They came nearest to doing so under the Labour Government in 1951, when five years postponement added 50 per cent to the pension. The corresponding percentage today is 28.

retirement; so money spent on improving their flat-rate pensions in this way should – pound for pound – provide greater savings on supplementation than any other way of building up the pension rights of present workers. And if Ministers should be attracted by the idea of making an early ‘dent’ in supplementary pensions expenditure they can do it most simply and cheaply, and with no risk of repercussions elsewhere, by doing belated justice to all those now in retirement who have earned increments since 1948. Their case for such a revaluation is much stronger than that of other groups left behind on old pension rates to whom Parliament has given a sympathetic hearing.

There remains to be considered the question of the minimum pension age itself. The decision, in 1925, to make the State pension payable from the fixed age of 65 (and to terminate unemployment and health insurance from the same age) must have had a considerable influence in shaping the big development of occupational pension schemes which followed, and the customary retirement practices so often associated with them. But this pattern is now set and I believe that academic economists have an altogether exaggerated idea of the effect which an alteration, either up or down, in the men’s *minimum* age for state pension would have on their retirement patterns. What is much more important is to get right away from the idea that there is *a* pension age and *a* pension and concentrate, instead, on the *amount* of pension offered for retirement at different ages. When the Government say that reduction of the present minimum pension age for men would ‘*undoubtedly* encourage earlier retirement’ one feels that they have either not studied the facts (including the experience of other countries) or that they are thinking in terms of a full ‘subsistence’ pension. This country cannot afford to provide anything of the sort for retirement before the age of 65; but an option to take a smaller pension at an earlier age is likely to be attractive only to men who would have retired in any case and who now, while waiting for their State pensions, are tempted to exploit other insurance benefits.

What makes it impossible to avoid this question of the minimum pension age in any reformed pension scheme is the



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ghastly mistake (I can call it no less), made in 1940 of all years, of giving women a five-year advantage in what was then *the* pension age. It seems, at the time, to have been no more than a dodge for heading off pressure on the 10s. pension rate itself by enabling husbands and wives to get their pensions at the same time in the large number of cases where the wife was somewhat younger than the husband. But the effect of this age difference today is that a woman retiring at the man's minimum age gets a flat-rate pension of £6 8s. a week as against his £5. I cannot believe that a difference of this sort can be held indefinitely, especially when men are being pressed to allow women full equality of pay and status. I do not suggest that the inequality can be quickly removed, but we ought to make our plans for reform with this in mind. The way I see it coming about is by a gradual reduction of the age from which men can claim the existing pension which would, of course, also be that for women retiring at age 60. Ultimately we should arrive at a broad age-band, 60-70, in which both men and women would be free to retire on actuarially-adjusted pension rates according to their own desires and the customs of their employments. What seems fatal to the establishment of this pattern on a basis which the economy of the country could support is the Government's proposal to increase the real value of the women's age 60 pension. If we are ever to establish equal pay, the men must, sooner or later, allow the women to catch up; but in the pension field it is the women who will have to give way. They, too, will be able to improve their pensions by staying longer at work.

A most important aspect of such a development is that, in combination with bigger increments, it provides what may well be the *only* politically viable way in which the process of replacing supplementary pensions by insurance pensions can be speeded up on a wide front. The device is also more economical of resources than those earlier examined. The effect of reducing the present minimum pension age for men by a year would not, as I have explained, be that a man now expecting to retire at 65 or above would stop work at 64. Such a man would most probably retire as he had expected to do but would then find that his flat-rate pension was substantially bigger than he had been led to ex-

pect. The extra would be special to such men; all women, men already retired, and those retiring below 65, would not get it. But who in these groups could complain? Certainly not men who claimed at the earlier age; nor women, who would still have a four-year advantage; nor would the existing pensioners be likely to object because their successors were getting title to the same basic pension as their own a little earlier – it would be merely another sign of progress.

I have nailed my colours to the mast of equal treatment for men and women in whatever State pension arrangements we make for the future. But this will not produce a tolerable equality of provision in old age unless we can come to terms with the reality of most women's lives. From choice or necessity, during or even outside marriage, many will always have long periods in which they will not be in paid employment at all, or only there on a part-time basis; and during these periods they are unlikely to have resources under their own control from which to pay pension contributions. The Beveridge solution of excusing married women from any compulsion to pay contributions and expecting them to rely on inferior and uncertain dependency benefits paid for out of higher contributions exacted from all men is now, rightly, being abandoned. Since 1961 working married women have been required to pay the same contributions as men under the graduated pensions scheme; and the present Government is now taking the same line in national superannuation where almost all the contributions are based on earnings. But this does not get us very far. Indeed it poses a new problem in that there will then be no recognizable extra contributions being paid by husbands, or even by men in general, on which dependency benefits could be based; nor is there any proposal that a husband should give up any of *his* pension rights for this purpose. Obviously commitments and expectations created by the old dependency approach must continue to be honoured; but it now seems that any *new* provision made for women on account of marriage must be justified on social grounds – as something for which the whole community would wish to pay – rather than on account of the insurance status of the husband or a former husband. On this approach, we should be glad to protect the

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pension rights of any woman who had been prevented from earning by the care of children, or by her own or her husband's disablement, though we might have reservations about doing it on an earnings-related basis. But how must the spectacle of a former wife (or even more than one), who had neither paid contributions nor had children, being endowed with a duplicate of a well-to-do husband's pension record strike other women (married or single) paying contributions out of their earnings for a more modest pension? And to turn to another proposal, why should a woman's rate of pension be made to depend on the outcome of options and alternative calculations? Has not she as much right as a man to know, at all times, how she stands in relation to her provision for old age, regardless of what may happen to her later?

With social attitudes and the law changing so fast that marriage is in danger of becoming rather less than a civil contract there is a whole complex of problems, not only for social security but for income taxation and for such things as the structure of occupational pension provision, which urgently needs to be examined completely afresh, away from the preoccupations of day-to-day government. Pensions reform, because it is so long-term, particularly needs the benefit of such re-thinking before we plunge into new arrangements under the influence of thought patterns which have lost their validity. With this qualification, and simply as a basis for discussion, I make my suggestions as to how marriage might be dealt with in a universal scheme of contributory insurance for old age. First, we must stop trying to deal with women in separate categories – as wives, widows, divorcees, etc. Instead we must have in mind a woman who, like a man, may experience during one lifetime marriage, separation, divorce or the loss of a partner through death, and, perhaps, some of these things more than once; but with the additional complication, that, in any of these situations, she may be prevented from working because she must care for children or perhaps elderly relatives or a disabled husband; or of course she may, through all her changes of status, be as continuously in paid employment as any man.

The problem of filling in the gaps which most women will have

in their pension contribution records is, I think, easier to tackle in a scheme of universal insurance based on citizenship and income than it is in a scheme which only compels the payment of contributions out of earnings. The community could then, for example, provide for the direct payment of a woman's insurance contributions while she was caring for her children or the disabled. But otherwise I can see no reason why pension contributions should not be paid for her as for other citizens; out of her earnings while in paid employment; by, or on behalf of, those she is looking after if she is a single woman; or by her husband if her share in the marriage is to keep the home. In this case, however, I would like to see the insurance arrangements fully reflect the modern view of marriage, not as creating a relationship of dependency, but as one of partnership in which assets and responsibilities are fully shared. I would, accordingly, make the pension contributions of both partners a charge enforceable, like tax, against their joint earnings or other income; and, as a logical consequence of this, I would arrange for the total of their contributions to be divided equally between their insurance accounts. This pooling and division of records might be limited to the period of the marriage or might be extended to cover those which the parties brought into their marriage. I realize that these are not the sort of ideas which are likely to secure an easy acceptance and that their implications need a lot of working out. Nevertheless it would seem that, somehow or other, we shall soon be compelled to bring our social security provisions into line with modern thinking about marriage, divorce, widowhood, and, more generally, about the equal treatment of men and women in our society.

Down to 1959, the Treasury continued to have the undivided ultimate responsibility for meeting the cost of pensions out of general taxation – contributions being regarded as no more than a kind of grant-in-aid. The Act which brought in graduated pensions also put the finances of the whole scheme on a stronger 'insurance' basis by limiting the Treasury's responsibility to that of paying into the scheme a contribution fixed as a proportion of other contributions. That there must be a substantial Exchequer contribution is dictated by three considerations:

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(1) It is good business to assist those with modest means in paying for pensions which would otherwise be a direct and unmanageable charge on general taxation.\*

(2) It helps to justify compulsion.

(3) The scheme's finances have to carry the heavy consequences of past political concessions whereby the full flat-rate pension has been provided, notably in 1925 and 1946, for much less than a lifetime's contributions.

There is no scientific basis on which we can now arrive at a proper distribution of State pension costs between general taxation and the scheme's contributors. The idea of proportionate division which the 1959 Act introduced now seems to be well established. If this can be accepted as a fixed point in a reformed scheme, it ought to give people the confidence which will come from seeing the scheme standing on its own feet and managing its own affairs. We have seen how the principle of graduation enables the Exchequer contribution to be concentrated within the structure of the scheme on the benefits of those with modest incomes; obviously, the bigger the proportionate Exchequer contribution, the easier it will be to provide an attractive scheme on this basis. It is, however, more important that the Exchequer contribution, whatever it is, should be a genuine commitment which will not be whittled away by such devices as the withdrawal of tax relief from contributions or using them as a base for exacting levies to help pay for services which are available to all. I have also suggested earlier that it might be the path of political wisdom for the savings on supplementary pensions to be retained in the pensions field.

My next suggestion should be altogether more attractive to the Exchequer. The idea that pay-as-you-go is the natural method of financing State pensions seems to derive from nothing more than the experience of recent years, when an inadequate contribution base has proved unequal to the task of meeting fast-rising pension expenditure. An enlarged scheme of earnings or income related pensions and contributions introduces an entirely new factor into

\*This idea can be traced back to 1772 when Parliament authorized the Poor Law authorities to subsidize and guarantee pensions for old age.

this equation. Contribution income will rise automatically in line with earnings; but, if individual pensions are also kept adjusted to the earnings level, total expenditure on them must rise at a still faster rate until that distant day when everyone in retirement may be expected to have a pension based on a full record of contributions under the new scheme. So far only the German scheme has got anywhere near this balancing point between income and expenditure, which is truly 'pay-as-you-go'.

Any attempt to finance a new scheme of earnings-related pensions on no more than a pay-as-you-go basis during its build up must, I fear, be destructive of confidence. It would continually face Ministers with the choice between:

- (1) raising contributions as a proportion of current earnings or incomes;
- (2) increasing pensions in payment (*including* any supplementation) less than earnings were going up; or
- (3) increasing the proportionate contribution to the scheme from general taxation.

A scheme with such political choices regularly having to be made must always be controversial; as well as leaving those who put it forward open to the damaging charge that they are promising present electors future benefits for which later generations will be called upon to pay a bigger proportion of *their* earnings than those who will get the benefits are to pay in the present.\*

The proper method of finance, which has been adopted in other countries, and the principle of which has governed our own Industrial Injuries insurance scheme since 1948, is to fix at the start a percentage contribution on liable earnings which, on the basis of the best long-range forecasts which can be made, will be sufficient to pay the rising costs of benefit over a period of not less than forty years ahead. At regular intervals the calculation would be re-done to check that the rate of contribution was still adequate. This method of financial control is not funding in the sense in which the term is used in private pension finance – the

\*The first version of the earnings-related Canada Pension Plan had to be withdrawn because of such criticisms. It ultimately passed, with general support, on the basis of finance suggested here.

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State does not have to contemplate the possibility of its own demise or, if it does, there is nothing it can do about it. Its general presentational advantage would be reinforced by two others:

(1) The extent to which advantage was taken of an abatement option would not affect the rate of contributions required of those who were full members of the State scheme. This cannot be the case with pay-as-you-go finance.

(2) The pension fund would not only be in surplus from the start but would, in all probability, continue to be so indefinitely; because the check period would always be moving forward and disclosing further liabilities of which account had not previously had to be taken. There is no reason why this should give rise to alarm; the object of the arrangement is not to cover all future liabilities but to ensure stability in the percentage level of contributions over a long period ahead which must, on any reckoning, be clear gain. The investment of the surpluses would be within the Treasury's control; but even more important for them might be the freeing of Budgetary policy from the chronic instability which has affected pensions finance over recent years and do give greater freedom in deciding levels of investment and current expenditure from time to time.

Parliament must, of course, keep ultimate control over policy but it will exercise this control very much better if it can be freed from the detailed consideration of action arising from policies already established; and if it also has a recognized source of non-political advice on wider issues. The legislation should, after defining the starting points and laying down general principles to control development, provide standing machinery for the adjustment of rates and figures within the general principles laid down. For this and for more general advice, Parliament (and Ministers) ought to have the assistance of a strong Commission charged with keeping the development of the scheme under continuous review and making informatory reports on its progress and arising problems. I have in mind the admirable precedent of the powers and duties given, in the years before the last war, to the Unemployment Insurance Statutory Committee which so success-

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fully supervised the restoration of the Unemployment Insurance scheme after the political battering it had suffered in the years of the great depression.

The Commission would:

(1) Approve adjustments to keep in line with earnings, prices or supplementary pensions levels as the legislation might require. The difficult point here is that of the supplementary pension level. I assume that Ministers would feel compelled to keep the adjustment of this within their own control. They must, however, do so in the knowledge that the Commission would then be under a statutory obligation to bring forward corresponding adjustments of contributory pensions, including any necessary increase of contribution rates to pay for them.

(2) Keep Parliament and the public regularly informed about the scheme and in particular report on all proposals for changes in its regulations after giving interested parties a chance of being heard.

(3) Investigate and report on proposals for new benefits or other changes which would require fresh legislation.

(4) Report at statutory intervals on the adequacy or otherwise of the contributions to cover the scheme's long-term liabilities and say what steps (other than a change in the proportionate Exchequer contribution) should be taken to correct any deviation. Ministers would, of course, be free to make other proposals but they would then have to demonstrate that these dealt with the situation disclosed by the Commission not less adequately than theirs.

I believe that a Commission of this kind would play a most valuable part in educating not only Parliament but Government and academic opinion, as well as the public at large, in the realities of social insurance. The Commission's existence and reports would also give the public the confidence it so much needs that the scheme once established would not be blown off course by political or financial breezes.



## PENSIONS REFORM

### CONCLUSION

In the writing of this article I have been very conscious of the exceptionally heavy burden of old-age dependency which our community now carries,\* and of the need to avoid adding to it in the present while opening ways in which our younger people can decide whether and, if so, through what agency, they will make additional provision for their own old age.

It may be objected that in my search for ways of protecting a reformed scheme from short-sighted pressures I have isolated it too much from the ups and downs of the economy. I do not think so; indeed I hope I have shown, in my discussion of future financial policy, how the management of the economy could be made easier and more flexible by using the new principle of graduation to break away from the chronic instability of pay-as-you-go pension finance. We must accept that pension rights once acquired cannot be repudiated; but the growth in their cost would, as I see it, be finally regulated by the level of the supplementary pension provision which Ministers could, if they wished, keep entirely within their own control. The Commission would have no right to propose increases of contributory pensions unless Ministers had first taken the initiative in the supplementary field.

\*Public funds are now providing about five times as much in total and ten times as much per head in pensions for our old people as in family allowances for our children.

## Which Social Services Can We Save?

*Brian Lapping\**

IN the next few years the social services are going to be faced with money problems so intense that parts of their structure will be threatened. The purpose of this essay is to examine why such a threat is imminent and what those concerned to ensure the survival and improvement of the social services can do about it.

The social services seem certain, in the next ten to fifteen years, to become much more expensive: a Treasury official addressing the Institute of Municipal Treasurers and Accountants conference in 1967 put the increase in cost of the social services over the following ten years at 60 per cent, at constant prices. It seems unlikely that gross domestic product will, over the same period, have risen by more than 30 per cent. Therefore a choice must be faced: can private consumption be kept from growing at a rate proportionate to the rate of growth of the economy, in order to release resources for the social services? Can defence or other Government expenditure be cut back in order to bridge the gap? Or must we pare down parts of the social services, in order to save and expand other parts?

It is easy to see why the costs of the social services are going to rise so sharply. There are four main reasons.

First, demographic change. In the next fifteen years the population is likely to rise by more than five million. The bulk of these people, probably well over four million, will be in the non-productive age groups which make the heaviest demands on the social services: those under 15 and over 65. The increase in the number of people in the most productive age group, 16 to 64, will probably be less than a million. Mark Abrams has estimated

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(*New Society*, 7 November 1968) that expenditure on health and education must rise by 20 per cent in real terms by 1983 merely to cover population changes – making no allowance for improvements in standards.

Second, increased take-up. Successive Governments have promised to raise the minimum age at which it is legally permitted to remove a child from full-time schooling. But before the legal limit has been raised the number staying on beyond the present legal limit, 15, has steadily grown. Parents increasingly choose to make use of this social service. Consequently demand for university places has risen a good deal faster even than the Robbins Committee predicted (see *The Impact of Robbins*, Richard Layard, John King and Claus Moser, Penguin Books, 1969). Claims for sickness benefit rose by nearly fifty per cent between 1954 and 1966 (according to figures published in June 1968 by the Office of Health Economics), apparently indicating that as people's standard of living rises the standard of health they require if they are to stay at work rises also. The proportion of people of pensionable age who are drawing retirement pensions is increasing, as a rising proportion of men retire and draw their pension as soon as they are entitled to. And, of course, it is now Government policy to encourage people to collect allowances they are entitled to, and the campaigns by the Ministry of Housing to get people to collect rent and rate rebates and by the Ministry of Social Security to get people to collect supplementary benefits further add to the increase in take-up of the social services.

Third, improvement in the service. Smaller classes in schools, new, complex treatments in hospitals, often raise the cost of a service (not always; a new expensive drug, by curing a patient more quickly than an old, less effective drug, may shorten his illness and reduce the cost of the total medical attention he needs). In general those who run services find that the improvements they want to make raise costs. And, of course, improved services attract more take-up. An example of improvement in service is the replacement of old buildings – particularly schools and hospitals – a major cost in the next twenty years.

Fourth, labour costs. Health, welfare, child care and education are labour-intensive services, and it does not seem likely that

doctoring, social work, nursing or teaching will become a great deal less labour-intensive over the next few years. It is an established pattern in advanced industrial societies that objects get relatively cheaper, labour relatively dearer. So these services are bound to become more expensive to provide – compared to, say, television sets, washing machines or motor cars.

Added to these reasons for the costs of social services to rise is a misfortune arising from the inadequacies of economic and statistical prediction. In 1962 the National Economic Development Council informed the nation that it should aim for a steady four per cent annual growth rate. This figure seeped through the consciousness of the planners of all the social services and lay behind the confident expectation of the Labour Government, newly arrived in 1964, that expenditure on social services could increase substantially, paid for by growth. The mythical four per cent was at the heart of the National Plan for the five years to 1970, published in 1965. But four per cent growth has persistently failed to be achieved. From 1964 to 1967 the average annual rate of growth of the national income was about  $1\frac{1}{2}$  per cent. So social service expenditure has not kept up to the plans. A sense of the need to spend a lot, merely to make up for lost time and get to where we should have been in 1970 (according to the 1965 National Plan targets), is widely present among social service administrators.

It is in the face of pressures like these that the recent debates on how to finance the social services have been held. The ostensible purpose of the initiators of these debates, mostly people associated with the Institute of Economic Affairs, has been to find ways of getting more money into the social services. But this purpose has always been linked with an emphasis on extending freedom of choice – an equally praiseworthy objective – and on handing over cash as being the individual's best way of ensuring free choice for himself. This confusion of main objectives has often led authors of IEA publications to advance proposals which seem likely to diminish the total resources available to the social service under consideration. For example, the proposal advanced in E. G. West's various publications (*Education and the State*, 1965, *Economics, Education and the Politician*, 1968) for

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parents of school-age children to be given vouchers involves a threat to the state education system: the vouchers could be exchanged for education in a state school or – with a cash supplement added – for education in a private school. West seeks to show that this scheme would bring additional money into education: the more people chose to pay a cash supplement, the more money would be injected into the education system as a whole. This is undeniable. But education as a social service, available on equal terms to everyone as a basic right, would suffer. The money put into private education, both the cash supplement and the value of the voucher, would be taken away from the state education system. Consequently, if a lot of parents chose to add to the voucher and buy private education, the choice available to those parents would increase, the choice and opportunity available to children whose parents could not afford a cash supplement would be liable to diminish. State schools would cease to provide a social service for all; they would provide a residual service for the less wealthy.

Much the same objection can be made to increased imposition of fees in the National Health Service. Undeniably the raising of charges for teeth and spectacles in 1968 and the re-introduction of prescription charges released some money for use in the health service. But once you raise charges sufficiently for them to make substantial contribution towards health service financing (at present charges contribute only about 5 per cent to the health service budget) you face the problem that the patient, for a little extra cost, could opt out and get private treatment. The health service will thus lose altogether the revenue from charging those patients who opt out, and a group of both doctors and patients will cease to put part of their efforts into improving the National Health Service, preferring instead to maintain between them a high cost, high quality service. Again the danger arises that the national service will become a residual provision for the less wealthy.

Vouchers for education and substantially increased charges in the health service were both conceived as simple responses to the problem of financing the social services. The difficulties and dangers they could create might fundamentally threaten the

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social services they were designed to help. It is a short step in each case from adopting a scheme designed to bring more money into the service to finding that the single national service has been undermined and replaced, in effect, with a two-part service, one (private) for the rich and one (public) for the poor. The disadvantages of such a development are serious from the point of view of a just society and from the point of view of economic efficiency (by giving the best training and health treatment to everybody you uncover and preserve valuable talent among people who could never afford to develop it themselves).

Similar objections can be raised to many other of the proposals that have been put forward for raising money for the social services. There are four possible ways to pay for these services: out of general taxation, by contributions (from employer, employee, or both), by charges to the user and by transferring part or all of the service to the private sector. Ultimately the problem is a simple one: there is a total income earned by people working in Britain; is it likely that these people will be happier paying over a larger proportion in tax, contribution, charges for service or by making their own private arrangements? It seems likely that increased emphasis on private payment, if it took over a large proportion of the costs of health and education, would substantially reduce the amount of money available, if only because quite a lot of people enjoy good health, quite a lot have no children to educate and therefore these people would, given the choice, pay less than the state can under present arrangements force out of them. An increase in the employers' contribution is a technique that can be made to help cover more of the cost of health and pensions than it now does. In France, Italy and Sweden the employers' contribution to the national insurance payment is almost 70 per cent while in Britain it is 50 per cent (the employee paying the other 50 per cent). The argument advanced against raising the employers' contribution (for example by Richard Crossman in his 1969 Fabian Pamphlet, *Paying for the Social Services*), is that it is a cost employers pass on in their prices and that it therefore simply raises the cost of living. That argument is of little weight. What it means is that higher employers' contributions could help pay for social services at the expense of consumption – a most desirable source of

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the money. Crossman admitted as much a month after his pamphlet was published when, as Secretary of State for Health and Social Security, he had his department announce a rise in the employers' contribution – the very policy he had just attacked. However, though increasing the employers' contribution might be a useful way of raising a small additional sum for the social services (especially the health service) one comes up against the export argument: raising the employers' contribution will cause firms to increase all prices, including export prices, and Governments are afraid of any action that might risk export orders.

Like a man with an overdraft, studying his weekly outgoings and unable to cut down expenditure or how he can sufficiently increase his income, the planner for the social services keeps coming up against this kind of deadening conclusion. In short, charges, if used on a sufficient scale to make a significant contribution to the budget (combined, of course, with exemption arrangements for the needy), will almost certainly encourage more people to use the private sector, weakening the public service. Changing the employee's contribution to National Insurance and the NHS from a flat rate to a graduated payment (the higher paid making a larger contribution) would raise a little extra money, but not nearly enough. Raising the employers' contribution will frighten the export divisions of the Board of Trade. A higher proportion of the Treasury's tax income can come only at the expense of some other department and, after the January 1968 defence cuts, there seems little prospect of much extra money from this source. We are thus left with one method only of raising additional revenue: some services will have to be transferred to the private sector. This is not the same policy as raising charges on the public sector service and then finding that better-off members of the public desert it. If any services have to be transferred to the private sector, in order to make possible improvement and expansion of other parts of the public sector, then it will be best to take the decision consciously, knowing what we are doing and planning it so as to minimize social loss.

Such a transfer would be an impossibly big undertaking in health and education. In these services private provision is a fringe element. Richard Crossman told the House of Commons

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on 1 July 1969 that in the year to 30 June 1968, private health insurance schemes collected £14 million and paid out £12 million in medical fees. Set against the cost of the National Health Service, £1,786 million, this is peanuts. Of course nobody knows how large a proportion of all private health payments is represented by the health insurance schemes (an unknown proportion of private health payments remain unknown to the Inland Revenue, being discreet cash payments to a doctor, with no receipt given; a further unknown proportion is in the form of fees openly paid by the patient, but with no indication whether the patient made a subsequent claim on an insurance scheme). If one guesses that insurance schemes contributed a quarter of the cost of all private medical payments, then one faces, on the figures given for 1968, about £50 million of private medicine against £1,786 million spent on the National Health Service: in other words, on the basis of these very rough figures, private medicine may have spent on it about 3 per cent of what is spent on the NHS.

On education private spending is higher, but still not a dominant source of finance. The most recent analysis of the total spending on education in Britain (in *Educational Finance*, by Alan Peacock, Howard Glennerster and Robert Lavers, Oliver & Boyd, 1968) covers the year 1962-3. It concludes that private educational institutions had £87 million to spend, compared with spending on state education and state aided education of £1,168 million. Thus in 1962-3 private education spent about 7 per cent of the state education total. It seems likely that this percentage has since fallen slightly, as Government spending on education rose 28 per cent in real terms in the years 1964-9 during a period when the total number of private schools in Britain was falling. Gail Wilson has shown (*New Society*, 10 April 1969) that the number of private schools in England and Wales fell from 4,250 in 1958 to 3,120 in 1968 (though against this must be set a rise in the number of recognized boys' public schools - up from 120 in 1958 to 130 in 1968 - and Gail Wilson's statement that all the public schools, girls' as well as boys', 'increased their intake of pupils'). In both health and education the private sector is so small that it is to a substantial degree dependent on the public



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sector. Private health insurance schemes control only 440 beds in 13 nursing homes; therefore the vast majority of privately financed operations have to be done in NHS hospitals, where, in effect, the advantages bought by the private patient are a quick jump to the front of the queue for treatment, a private room and hotel-style service. In education, according to the First Report of the Public Schools Commission (HMSO, July 1968), the dependence, while not quite so heavy, is still large: in 1967 about 10 per cent of the pupils of independent schools (42,000 out of a total of 435,000) were assisted by public funds – local authorities paying £5.5 million in fees for private education, Government departments £3.9 million. Thus, in these key social services, private provision is slight – and is itself heavily dependent on the state.

By contrast a large proportion of both housing and pension provision in Britain today is privately financed. Furthermore there is a clear distinction between education and health (taken here to include child care and social work) on the one hand and housing and pension provision on the other. In education and health the principle is accepted that everybody pays in order that the entire nation may be kept educated and healthy: it is part of the purpose of these services that they shall be available to all when the need arises; there is no question of the sick man being asked if he has paid his stamps, the child of an unmarried mother being asked whether his education tax has been settled by any wage-earner. In pensions and housing, by contrast, the established principle is that the individual pays for what he gets. His house may be subsidized one way or another, but he pays for it. If he is a low earner, his pension may be topped up slightly, under the government's new scheme to be introduced in 1972, but in the end his pension will depend on having paid the necessary number of contributions.

This clear division has logical consequences: it is essential not to let health or education return to private provision. In a civilized society it is basic that a sick man shall be made well, a child educated, to the best ability of the society, absolutely irrespective of the means of the sick man or the child. It is the right of the rich man to buy himself or his child what he considers the best; it is the duty of society to make these efforts by the rich

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man redundant in providing – in health and education – equally good service for everybody. Therefore these are the services on which it is necessary to concentrate public finance and effort.

On housing and pensions it is inconceivable for society to seek to maintain such equality – even if it is desirable. The question then to be answered is: can spending on public pensions and housing be cut back, by the imposition of regulations compelling the private sector to maintain standards and serve public need?

In recent years there has been enormous growth in the provision of 'occupational pensions'. The 1969 White Paper outlining the proposed new earnings-related pension scheme (Cmnd 3883) contains some details: by the end of 1967 there were in Britain some 65,000 active private pension schemes covering more than twelve million employed people – out of a total employed labour force of twenty-two million. In 1967, according to a survey conducted by the Government Actuary, the 65,000 private schemes, after paying out benefits and expenses, contributed net savings to the nation's investment of £810 million (more than a third of total personal savings and more than a tenth of total net savings). The Labour Government, in this same White Paper launching its new pension scheme, states: 'There is still room for further increase in membership' in private schemes. The new, earnings-related government scheme is not designed to win people away from private pensions: its purpose is to provide pensions for those who are not members of private schemes – particularly for those who are not highly paid. In the words of the White Paper: 'Occupational (pensions) schemes have an important part to play alongside the new state scheme, and in its widest sense national superannuation must embrace occupational as well as state pensions.'

But that is not all: the Labour Government's 1969 scheme contains provisions explicitly more favourable to private schemes than those of most other countries. Instead of all employees being made to participate fully in the state scheme, with occupational schemes free to add a further pension on top – the pattern generally found abroad, according to the White Paper – the British scheme includes complicated arrangements to enable employees to be 'partially contracted out'. The reasons are clearly stated:

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the Government wants 'some new pension provision to be occupational rather than state . . . [and to] encourage employers who might otherwise have been deterred from starting new schemes to go ahead with them.'

It is at this point that the Government's power to compel the private sector to maintain standards is revealed: in order partially to contract his employees out, an employer must show that the private scheme will reach specified standards of pension provision: the employees remain 'partially contracted in' so that the Government can guarantee to make up any failure by a private scheme to equal the state scheme's provision. This condition imposed before any firm may contract its employees out should ensure – with the Government as the ultimate guarantor – that the private provision involves no disadvantage for the employee or pensioner and his family. Thus employers can enjoy the sense of being generous, can continue to regard pensions as a fringe benefit that helps them retain staff, and can probably (if their pension-fund investments do well) contribute to the reduction of what is, at present, the biggest single head of Government expenditure. (In 1970–71 official expenditure on social security is estimated at £3,528 million, on education £2,474 million and on defence £2,281 million.) It is even possible for private pension schemes to develop an advantage over the state scheme. By having an annual meeting and an annual report, by having members' representatives on the management body, they can more effectively see that a man's pension remains – at least partly – under his own control. Tony Lynes has suggested (*New Society*, 16 January 1969) that it could be made compulsory for employees to be given at least an equal voice with their employers in the management and investment of their pension funds. Such self-government is impossible in a Government scheme.

Precisely how large a part of the £3,500 million the Government pays out annually in pensions might be taken over by private pension funds is impossible to calculate. Nor can this be a quick way to save Government money for other social services. Even the Government's new scheme requires twenty years of contributions before it can start paying out fully wage-related pensions. Private schemes – which, unlike the Government

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scheme, depend on the gradual building up of a fund to cover each pension – require longer. Indeed, in the early years the encouragement of ‘contracting out’ and employees’ payments into private schemes will reduce the Government’s income without reducing its expenditure on present pensions. But in the long run contracting out should lighten the burden of demands for money the Government imposes on citizens. Making employees join a private pension fund, like making motorists insure their cars, cannot be popularly regarded as a Government tax. It should therefore free the Government to raise other taxes to help pay for those social services which cannot be shuffled off in this way on the market.

Nothing said here is meant to suggest that the Government can give up all its direct financial responsibility for pensions. For the least well paid, the disabled, chronically sick, widows and unsupported women with children and for others who have been unable to keep up a consistent and high level of contributions to a pension fund, the Government must maintain a scheme. But for that large part of the community which can afford to buy its own pension, the Government’s role should be limited to seeing that private schemes offer a fair deal and to providing guarantees – a kind of reinsurance of the pension – in case the private scheme should fail. This reinsurance function is not one to which it is desirable to limit the government. Private-funded schemes are, by their nature, a less certain and satisfactory machinery for ensuring adequate future pensions than are Government-run, pay-as-you-go schemes. But if the Government makes some more severe regulations than appear in its January 1969 White Paper about how employers and private pension funds must conduct themselves (particularly if it insists on improved transferability and guaranteed preservation of pension rights when an employee leaves his job), it seems likely, given rising income and growth in share values, that for the bulk of the population private pensions will be adequate. This proposal is not made in the belief that private pensions are better – Tony Lynes in his brilliant pamphlet, *Labour’s Pension Plan* (Fabian Society, 1969) has shown that such a view is ludicrous. The reason for seeking to transfer a large part of pension provision to private funds is solely that some part of

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Government social service provision has to be abandoned if the whole area is not to be starved of money. This abandonment is bound to involve some loss, but where the introduction of charges on a substantial scale for health or education would have highly undesirable effects, compelling the increasingly prosperous bulk of employees to seek their pensions from a closely supervised private market should, as a whole, be without major disadvantage.

The arguments for transferring part of the social provision of housing to the private sector are stronger. In 1961 the White Paper *Housing in England and Wales* stated: 'At present many council houses and flats which ought to be available to those who really need them are still occupied by people who, whatever their situation when they first became local authority tenants, have since become well able to make their own arrangements.'

Since then the Family Expenditure Survey for England and Wales has shown, in 1966, that the distribution of household incomes of local authority tenants was very similar to that of all households. The tenants of private, unfurnished dwellings tended to be worse off than local authority tenants. The problem now facing housing policy-makers can be simply stated: as a whole, housing is no longer a social service; except in the major conurbations (London, Birmingham, Liverpool, Manchester, Glasgow) the vast bulk of the population can afford to pay the market cost of adequate accommodation; but local authorities do not regard it as their role to think about the housing needs of the vast bulk of the population; by a series of historical accidents they have inherited a large stock of property, and they think about that and how to enlarge it. If housing authorities could be made to think about all the housing needs in their areas, rather than merely about their own estates, housing policy would be far better managed and a substantial amount of 'social services' expenditure might be saved.

Precisely how this should be done is easy to summarize in a short essay, far more difficult to apply in practice. The kind of scheme which needs to replace the present housing subsidies involves (1) substantial increases in council rents, (2) effective and universal rent rebates for poorer tenants, (3) more help with

mortgages to enable richer council tenants to move out or buy their council houses, (4) housing authorities which see themselves as planners and co-ordinators of all housing in their areas (rather than builders and managers of some of it). This last proposal involves a basic change in the kind of person who becomes a local authority housing manager: instead of being a lesser official than the medical officer or the borough treasurer, he should be a highly qualified man, capable of conducting surveys of need, bribing or bullying private builders or cooperatives into supplying the kind of provision needed, maintaining a constant watch on the total pattern of housing provision in his area. Of course he will need powers – like those Birmingham Corporation has recently acquired by its own Act of Parliament – to give rent rebates to private tenants. He will need powers compulsorily to improve privately or cooperatively owned housing which is rented out and in his view inadequately maintained. He will need to perform in housing the role that the Government is adopting in pensions: policeman to ensure that private provision is up to scratch.

What does this mean in respect of the public cost of housing? Raising council rents and the end of the present subsidy system are not likely to save a lot of money – especially if the most needy families in private accommodation are to be given rent rebates (as recommended in the Prices and Incomes Board's report on rents of local authority housing, Cmnd 3604). Nor will public money be saved by giving more help to enable richer council tenants to buy houses (although in this case the money would cease to come out of a 'social service' budget, being paid instead out of the Inland Revenue's scheme for tax allowance on loan interest, an arrangement thought far less reprehensible by international bankers and those opposed to 'social service extravagance'). But a reduction in the total amount of council housing would in most areas save some public money. And in the conurbations, where the problem is most difficult, the new kind of housing strategy authority proposed could bully large employers ~~where~~ staff have to live near the town centre into bearing some of the ~~costs~~ of their accommodation – perhaps by contributing to housing associations for them. At present local authorities which

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build high flats on expensive city-centre sites and let them at subsidized rents are primarily subsidizing the firms for which the tenants work. This has a distorting effect on firms' decisions about where to locate premises, encouraging them to operate in places where their staff cannot really afford to live. This particular proposal for off-loading a bit of the council housing subsidy clearly could save some public money.

The overall shape of this argument is now established. Hitherto the debate about future financing of the social services has been widely conducted in the form of a meaningless conflict: selectivity versus universalism. As Mike Reddin shows, we already have, in most services, a bit of each. There is no possibility of one triumphing over the other. Instead, I suggest, it is necessary to select those areas of provision where the price mechanism already works and see whether – in conformity with the general pattern of the mixed economy – it is possible for state financing to exert its considerable influence by marginal intervention, combined with a system of regulation. It is equally necessary to select those social services in which the price mechanism is likely to have severe disadvantages and make certain that they are protected from it. This means, in my view, that we should not fight for universalism throughout the social services, because that is too wide a cause to be capable of winning (even if we really, wholeheartedly, believe in it). Instead it is necessary to fight for the retention of universal free education and universal free health. Tiny erosions at the edges – optional payments for fancy spectacles, gold teeth, nose jobs, some private schools, secretarial colleges and computer and language schools – need not undermine these basically free services, so long as such payments do not represent more than a small proportion of the total cost of the services. I have not done the sums. Indeed the savings on housing and pensions that I have suggested would make little contribution, if any, to helping pay for other social services. But I hope I have raised a useful question: won't our case for more money for hospitals and schools be stronger if we stop demanding more money for *everything*?

# Economic Priority: Growth or Welfare

*E. J. Mishan\**

A DOUBT about the importance of economic growth may seem to some people as bewildering as a doubt about the importance of virtue. For do we not live at a time when a knowledge of the size of Gross National Product and of its comparative growth, is deemed sufficient to evaluate the full worth of a country's achievement? The very word 'growth' has commendable organic and evolutionary associations. Like the word *thrift* before the war, growth today is a thrice-blessed word. Among the orthodox, it is an unquestioned article of faith that faster economic growth is the sovereign remedy for all our social and economic troubles. In the popular mind, economic growth is linked with 'challenge', 'dynamic', 'forward-looking', and other sounding words from the repertoire of currently approved noises. Nor can it be played too hard or too often. Few editors, or company chairmen, coveting a reputation for no-nonsense realism, will resist the temptation to deplore, frequently and publicly, the country's poor economic growth record and to exhort the Government to take the sternest measures to 'get Britain moving'. No ambitious Cabinet Minister will fail to warn the country from time to time that Britain's status as a Great Power will be irrevocably lost unless its economic growth can be raised.

In the circumstances no one will envy me the task of trying to be tediously logical about this sanctified concept of economic growth. But I will do so by reminding the reader, first, that its definition speaks only of an increase in the flow, or output, of man-made goods. And, secondly, that its measure is confined largely to a sample of those goods that are priced in money terms. In highly developed economies, such as Britain's, any sustained

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## ECONOMIC PRIORITY: GROWTH OR WELFARE?

rise over time of output per person depends upon the continued application of new forms of technology which, it is believed, requires in its turn a continued expansion of higher education – though chiefly vocational education; education in science, technology, management and the like. It requires also a widespread acceptance among the population of continuous change as the social norm. Indeed, any noticeable absence of change over a two-year period tends these days to arouse the liveliest apprehensions.

Successful economic growth, however, has other social implications that are worth thinking about. For example, in the process of Britain's becoming a nation of motorists, the health and indeed the character of the nation will have altered, and not necessarily for the better. The invention of radio and television undoubtedly has enormous educational potential, but the growing use of such things also tends to diminish people's direct experience of nature, their direct communication with others and their direct participation in the community. Again, the pursuit of efficiency which seeks continually to remove the immediate dependence of people upon other people, is a far cry from the older system of communal obligation and cooperation, out of which grew mutual trust and a sense of individual identity within a community. No less pertinent, the precondition for sustained economic growth is sustained discontent – a product whose manufacture forms the sole preoccupation of our thriving advertising agencies. For the broad aim of the advertising industry is to persuade each one of us, first, that what really matters in life are the things most efficiently produced by modern industry, from cute lingerie to high-powered automobiles, from air travel with the jet set to plastic bric-à-brac; and second, that what each of us already possesses is either pitifully inadequate or pathetically outmoded.

These and other social implications of economic growth in an affluent society, though not quantifiable, are probably of greater consequence than those that fall within the legitimate purview of the economist. But in this essay I will confine my observations within the economists' framework, (a) by ignoring the effects on the ultimate satisfaction of ordinary men and women of the

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industrial methods and products of a rapidly accelerating technology, and (b) by maintaining throughout the familiar fiction that people are rational beings and are able to foresee clearly the consequences of their own actions.

Within this framework, therefore, let us ask: by what arguments would economists appear to justify the promotion of economic growth?

It might, at first, seem possible to justify the policy of economic growth as a means to other short- or medium-term goals; as helping us, for example, to improve the balance of payments, or as enabling us to raise living standards for the poor at home and abroad. I shall not take up space here to persuade you, first, that a reliable connexion between faster economic growth and an improved balance of payments has been established neither by theoretical arguments nor by empirical evidence\*; and second, that the so-called rise in real income per family, over the last two decades in Britain, has in fact been least for the very poor. As for the aid we currently contribute to poor countries, it is barely of the order of 1 per cent of our Gross National Product. Instead, I will devote my time to examining the popular view that economic growth is of itself, in some sense, a good thing. But in what sense?

Economists would accept the proposition that provided a person has all the relevant information, any extension over time of the range of his choices cannot make him worse off, and is indeed likely to make him better off. Economic growth is then justified on the grounds that it extends the range of choices over time for most people in the country, if not for all. But does it really? It is not hard to satisfy ourselves that the area of choice as a whole is not expanding; indeed, that important areas of choice are rapidly shrinking.

First of all, and notwithstanding the vogue for consumer research, it is a trite observation that a large number of goods which people still seek to purchase are no longer available. One has barely enough time to read a reliable consumer report on

\*The reader whose credulity has been imposed upon by this journalistic propaganda might wish to read two digressions on the balance of payments in my *Costs of Economic Growth*. Staples Press, 1967.

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some new electric model before the manufacturer, for reasons of his own, sees fit to withdraw it from the market in favour of some other model. Any idea for a change in colour or design provides an excuse for discontinuing production of the existing model. Modern industry is everywhere busy transforming into fashion goods a wide range of hardware. Automobiles, television sets, washing machines, electric lamps, washbowls, gas stoves, and as much else are increasingly designed for rapid obsolescence. At the same time the revolution in plastics has made it difficult to secure a wide variety of utensils once manufactured in wood, rubber, glass, metals and other materials, all more gratifying to the eye and to the touch than their plastic counterparts. One is always tempted to argue that if there is a demand for such things, they will surely be produced by someone. But though plausible enough, it happens to be untrue. What attracts the managers of modern industry are the 'exciting' technical possibilities for mass production that are offered by the new synthetic materials – and the creation of mass markets for such things can always be left to the advertising agents.

Secondly, and more important, there is a range of crucial changes that, under the present dispensation, is denied the citizen. There is no institutional mechanism, for instance, that enables society to reduce the bewildering proliferation of brands and models in favour of a smaller number of more clearly differentiated models. Nor, again, can there be any social defence of the fitful caprices of fashion. We have the choice either of being in the fashion – if we can discover it – or remaining out. But apparently we cannot choose to stay the present hectic pace of fashion, and so save money, time and a good deal of anxiety besides.

Nor, thirdly, has the worker always the choice of holding on to his present job if he prefers to do so. As productivity rises, a greater proportion of our national expenditure is directed toward relative luxuries. In consequence the pattern of consumer demand becomes increasingly fickle,\* requiring workers to

\*It need not be so fickle. It is technically quite possible to run a modern economy without recourse to commercial advertising. Indeed, for a small fraction of the resources thereby saved a national consumer service could be established both to provide impartial information about the products of

change jobs more frequently than they might wish. Worse still, the rapid technological advance we seek cannot be realized without a wholesale discarding of skills, many of which have been laboriously acquired over the years. (And, it may be added in passing, no extension of retraining facilities can restore to the mature worker the pride he took in his hard-earned skill or his position in the hierarchy of labour.) A market that responds efficiently to the demand of an advanced and growing economy may serve the citizen well *as consumer*, but only by treating him harshly *as worker*. And by what lights can one affirm that he is better off in these circumstances than he would be in an economy that reduced his present consumer choice in favour of greater choice, and greater security, as a worker?

Finally, and most blatant of all, the choice of physical environment is rapidly shrinking under the impact of modern industry and its products. There are people, even in these forward-looking days, who would choose not to breathe the blend of carbon monoxide and dust that has replaced the air in our cities – even though effective anti-pollutant devices would add to the cost of motoring and, therefore, reduce car sales. There are also quite a few people who would choose *not* to have their sleep repeatedly shattered by the shriek of aircraft – even though the Prime Minister solemnly assures them that it is ultimately in the national interest. But for such people there is, at present, for all practical purposes, no choice at all.

This last-mentioned failure of the economy, in the matter of choice, is worth dwelling on. In the last two decades wide-eyed speculators with the cooperation of pennywise councillors have spread the blight of 'development' over the face of Britain. Our cities and coastal towns have been made hideous by crude anonymous slabs of glass and synthetics, arrant testimony to the triumph of quick profits over civic pride. Industrial output has grown since the war, but not nearly so fast as the pollution of the air with vile gases, and of rivers with chemical waste; not nearly so fast as the sewage about our beaches, the accumulation of

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industry and actively to promote good design and distinction. It is an option which the public might like to vote on, but it will not be presented to them through the existing economic system.

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thick oils along our coastal waters, and the destruction of wild life by the wanton use of modern pesticides. Yet for a really impressive example of post-war growth our officials should lift their eyes from the economic statistics and take a long look at the appalling traffic congestion in town, city and suburb.

One consequence is that the pleasures of strolling along the streets of a city are more of a memory than a current pastime. Lorries, motor-cycles and taxis belching fumes, filth and stench, snarling engines and unabating visual disturbance have compounded to make movement through the city an ordeal for the pedestrian at the same time as the mutual strangulation of the traffic makes it a purgatory for motorists. The formula of mend-and-make-do followed by successive Transport Ministers is culminating in a maze of one-way streets, peppered with parking meters, with massive signs, detours and weirdly shaped junctions and circuses across which traffic pours from several directions, while penned-in pedestrians jostle each other along narrow pavements. Think, for example, of Piccadilly Circus, the hub of a capital city, crucified by traffic!

How did we come into this inheritance?

To reply that these dismal features of our civilization are the inevitable costs of growth is to beg the whole question. In the first place I do not recall anyone asking me whether I was willing to pay these costs in exchange for some additional quantum of 'real' output. In the second place the costs are manifestly *not* inevitable. It is still possible, I hope, for architects to plan a whole city on aesthetic principles – though, as business men will acutely observe, it costs more. And it cannot surely be supposed that more technical knowledge is needed before we can make provision for setting aside large and viable 'amenity areas' within commuting distance of the city where people may dwell in tolerable comfort without making use of petrol engines either for transport, mowing grass or sawing trees. In such amenity areas, depending on the size, avenues may be constructed only for pedestrians, possibly augmented by bicycles or horse-drawn vehicles, or by electrically powered public transport. It may be that only a minority of people would choose to make their homes in such areas which, incidentally, would be free of all aircraft

noise. But whether minority or majority it must be acknowledged that such amenity areas are unlikely to emerge from the operation of the existing economic mechanisms.

One reason for the failure of the modern economy to offer people such choices is that, under our existing laws – which are, for the most part, permissive, or at least over-tolerant, of the so-called spillover effects of others' activities, such as noise, smoke, smell, pollution – the risks of private initiative and the costs of organizing people to raise the sums necessary to bribe those responsible for spillover effects are prohibitive. However, it is of the utmost importance to realize that the market will continue to operate even if the law is radically changed in this respect.

The market, working under private enterprise, is a neutral mechanism only in the trivial sense that it tends to a solution – a set of outputs and prices – within any sort of legal framework. The solution, however, differs according to the particular framework within which the market operates. And it cannot for a moment be supposed that society is indifferent as between the market solution approached under one set of institutions as opposed to any others. If slavery were sanctioned by law the free working of the market would move the economy towards a solution – an 'ideal' solution under ideally competitive conditions – which could be rationalized only on the premise that men were, at least, indifferent to the moral implications of slavery. If industrial spillover is effectively permitted – and regardless of existing legislation the evidence affirms that, in the main, it is – the 'ideal' solution toward which a competitive market would tend could be rationalized only on the premise that society is, at least, indifferent to the fate of the victims of spillover.\*

\*This implication has not been made explicit in economic writing. Until very recently the dominant view was that, at least if negotiating and administrative costs were zero, the optimal output of a spillover-generating industry would be the same irrespective of whether the law required that the manufacturers compensate the victims or whether, instead, the victims could demand compensation from the manufacturers.

I have shown elsewhere (*Oxford Economic Papers*, 1967) that this common conclusion is the result of naïve economic analysis; that the difference in a competitive allocation under a law prohibitive of noxious spillovers could be vastly different from such an allocation under the existing law. In connexion

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If, therefore, in recognition of people's basic rights to peace, quiet and fresh air, amenity legislation was made so effective that no person could be made to absorb the disagreeable by-products created by others, the resulting adjustments throughout the country could be justified on grounds both of economy and equity. Quiet, privacy, fresh air, scarce enough before the war, are scarcer now, and unless the law is altered are certain to become scarcer in the future. Their high value to people is borne out by the growing concern of scores of thousands of families to find a home in a pleasant and quiet place, not too far from their work. There is no warrant, therefore, for allowing people to treat such things as quiet, fresh air, scenic beauty, as free goods – as if they were so abundant that a bit more or less made no difference to anyone.

So humble an invention as the motorized lawn-mower, whose engine can be heard in a score or more adjacent homes, would be prohibited (unless, perhaps, agreement could be reached among all the families affected). In the circumstances, manufacturers would have a strong incentive to produce silent machines.

Turning to larger things, once aircraft were no longer permitted to bombard our ears with impunity airline companies would perforce respond in two ways. First, in order to minimize compensatory payments to all affected they would plan to remove their airports to, and to re-route their flights over, less densely populated areas. Second, they would also have ample incentive to invest heavily in the task of discovering and perfecting noise-eliminating techniques. In the meantime any failure to make a profit, after compensating all remaining victims of aircraft noise, would be a clear indication of their inability to cover their full social costs. And there is no more of an economic case for the continuation of such flights than there is for the continued production of any other good or service whose potential revenue falls short of its full *social* cost. In view of the recent debates in

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with the argument in the text, however, it is yet more pertinent to point out that even if conditions were such that the allocation resulting was unique in all respects, we cannot suppose (quite apart from the distributional issue) that society is equally satisfied with a solution in which the victims of spill-over are compensated and one in which they are not.

the House, I should add that any Government declaration to the effect that the operation of a particular airline service is required in the national interest implies, if taken seriously, that there are benefits other than those revealed by the amounts that passengers are willing to pay for it. And if the Government is to convince the country that it means what it says about the national interest it must not introduce special legislation counter to accepted principle, so causing the innocent to suffer. In recognition of such implied benefits it must defray the losses incurred in meeting full social costs (which include full compensation to the remaining victims) out of the public revenues.

The advantages of such amenity legislation are reinforced by another consideration: the regressive distributional effects of the disamenities in question. So long as the rich continue to enjoy legal protection of their property they have less need of legal protection from the disamenity created by others. The richer a man is, the wider his choice of neighbourhood. If the area he chooses happens to be sinking in the scale of amenity he can always move, if at some inconvenience, to more pleasant environs. In contrast, the poorer the family, the less opportunity there is for moving from its present locality, regardless of how noisy or dirty it has become. Thus legislation that upheld citizens' rights to amenity would provide not only a rise in the standards of environment generally, it would raise them most for the lower income groups that have suffered more than any other from the unchecked 'development' and traffic since the war.

That there can be difficulties in the wording of a satisfactory charter of amenity rights, and that there can arise problems of interpretations and of enforcement, are not to be gainsaid. No radical measure of reform has been established without having to weather a period of trial and error – and, for that matter, without having to run the gauntlet of entrenched interests. But the economist does not, or should not, concern himself primarily with political feasibility, but rather with economic, or technical, feasibility. His is the task of revealing to society the economically, or technically, feasible options open to it; also to point out apparent improvements on widely accepted criteria. The enactment of legislation which effectively protects the private indi-



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vidual against unwanted spillovers, above all at a time when – because of the growing commercial possibilities in an affluent society of increasing sales of private planes, private helicopters and of other motorized gadgets, existing and impending – the need for such protection is becoming painfully obvious, does promise just such an improvement. It places the cost of bearing spillover effects squarely on the shoulders of those who generate them; not, as at present, on their victims. It therefore extends choice to society on more equitable terms. Under such legislation people can no longer be made to bear with the growing assault on their physical and emotional well-being without any ready means of redress. In effect, erstwhile victims of spillover achieve parity of status with the owners of any legal asset in that they cannot be compelled to part with their goods (the amenities they enjoy), though they are always at liberty to surrender them for some agreed payment. Private enterprise, in its turn, is still free to choose to produce whatever it deems profitable but only on condition that it now bears the full social cost of doing so.

To summarize the proposals before qualifying them, the most effective, and least expensive, way of curbing the riot of spillover that has spread over the country since the war is the enactment of a charter of amenity rights for the citizen, all of which rights are capable of being strictly enforced by the courts. A significant feature of such amenity rights, as described, is the complete prohibition of any of several clearly defined disamenities in the absence of consent among all the parties affected. This condition is to be noted. If, for example, the owner of a diesel saw can afford to bribe all the families within earshot of his sawing operations to consent to his use of the saw, at least during certain hours, then everyone is made better off than he would be under a complete noise-prohibition. Again, if a helicopter pilot, or motor-boat operator, could afford to bribe all potential plaintiffs not to invoke the law, each member of the group (including the pilot or operator) would be better off than if the ban against noise were enforced within the locality.

Thus for those spillovers involving noise, visual disturbance or invasion of privacy a collective waiver of such amenity rights contingent upon the voluntary consent of all interested citizens is

clearly an economic improvement. But there are other sorts of spillover effects for which such a consensus to waive the prohibition might not be accepted as a potential economic improvement. And this for at least two reasons. First, there may be insufficient information on the range of consequences arising from the spread of the spillover in question. A citizen who agrees to put up with a certain type of spillover effect in return for a bribe may do so in ignorance not only of the risks to which he exposes his person and his family but also in ignorance of the risks to which he exposes an unknown number of people or humanity at large. The unpleasantness he experiences surrounded by exhaust fumes may be only a fraction of the damage ultimately inflicted. Similar remarks are pertinent to other forms of air pollution, to effluents poured in river, stream and lake, to the discharge of oil on the high seas, to the use of chemical pesticides and, above all, to the present creation of radioactive elements by peacetime nuclear reactors.\*

Second, there are spillover effects that are experienced not only by citizens alike today but by future generations as well. Some of those effects mentioned in the former category can be included also among this type of spillover.† Other outstanding examples

\* 'A new "dimension" of hazard is given also by the fact that while man now can – and does – create radioactive elements, there is nothing he can do to reduce their radio-activity once he has created them. No chemical reaction, no physical interference, only the passage of time reduces the intensity of radiation once it has been set going . . .

'Wherever there is life, radioactive substances are absorbed into the biological cycle. Within hours of depositing [radioactive waste products created by nuclear reactors] in water, the great bulk of them can be found in living organisms. Plankton, algae, and many sea animals have the power of concentrating these substances by a factor of 1,000 and in some cases even a million. As one organism feeds on another, the radioactive materials climb up the ladder of life and find their way back to man . . .

'The point is that very serious hazards have already been created by the "peaceful uses of atomic energy", affecting not merely people alive today but all future generations although so far nuclear energy is being used only on a statistically insignificant scale. The real development is yet to come, on a scale which few people are capable of imagining.' (E. F. Schumacher, 'Clean Air and Future Energy', *Des Voeux Memorial Lecture*, October 1967.)

† According to a *Newsweek* report (8 January 1968) Professor L. C. Cole of Cornell University, in a paper delivered at the 134th annual meeting of

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are development-spillover and tourist-spillover, both of which involve the virtually irrevocable destruction of woodland, coastline, lake districts and places of rare natural beauty and magnificence. In consequence not only is the present generation deprived, but the keen pleasure and solace offered by such scenic beauty is denied to future generations also. In such cases the State, in its role of custodian of the future, is obliged to overrule the narrower interests of any group of private citizens.

Spillover effects of these two types may, then, be entirely prohibited notwithstanding any potential agreement to waive the prohibition by a group of private citizens acting on limited information and in the mistaken belief that they alone are the only interested parties. Alternatively, the amenity legislation may contain a clause requiring, in all cases of proposed waiver by consent, the consent also of the Government which would, however, be withheld for all spillover effects coming within the range of the above two categories.

Let me conclude; our growthmen are ever ready to point to the widespread use of drudgery-reducing inventions such as the vacuum cleaner and washing machine – and very handy they are, too, living as we do in an atmosphere of floating sewage maintained by modern industry and its products. But while some of the popular creations of technology may command general approval, especially in a sedentary age wherein physical effort has come to be regarded as anathema, a great deal of what is produced – candies, cigarettes, girdles, slimming tablets, lotions, electric toasters, electric boot-cleaners, electric carving knives and a widening range of push-button gadgets – is hard to classify in polite terms. But it is this stuff, along with television sets, private car and aeroplane travel, that – thanks to the consumer momentum built up by modern advertising methods – is taking up an

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the American Association for the Advancement of Science, asks whether man is not destroying the earth's natural supply of oxygen. He points out (i) that the increasing combustion of fossil fuels has greatly accelerated the formation of carbon dioxide in the atmosphere, and (ii) that, in the United States alone, some one million acres of suburbanized forest and grassland each year lose their ability to regenerate the oxygen supply through photosynthesis.

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Increasing proportion of household expenditure. Thus in things that contribute in trivial ways to his ultimate satisfaction, the things at which modern industry excels, man has choice up to and beyond the point of bewilderment. In the things that are vital to his ultimate satisfaction his choice is dwindling to the point of extinction. He may dream of spacious cities with beautiful parks and stately buildings, or of easy access to a countryside innocent of motorized traffic. But he wakes to an ugly reality in which his ears and eyes and lungs are under continual assault. And naught for his comfort save the knowledge that the industrial growth so fervently sought by the Establishment only moves him closer to the kind of suburban wasteland that is covering America. Nothing less than a radical change in the law can save him from that fate.



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